

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 660

AN ACT

To repeal sections 105.269, 160.420, 169.070, 169.075, 169.270, 169.280, 169.291, 169.301, 169.315, 169.324, 169.410, 169.420, 169.430, 169.440, 169.450, 169.460, 169.462, 169.466, 169.471, 169.475, 169.476, 169.480, 169.490, 169.500, 169.510, 169.520, 169.540, 169.650 and 169.670, RSMo 2000, relating to certain public school retirement systems, and to enact in lieu thereof twenty-nine new sections relating to the same subject, with an emergency clause for certain sections.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 105.269, 160.420, 169.070, 169.075,
2 169.270, 169.280, 169.291, 169.301, 169.315, 169.324, 169.410,
3 169.420, 169.430, 169.440, 169.450, 169.460, 169.462, 169.466,
4 169.471, 169.475, 169.476, 169.480, 169.490, 169.500, 169.510,
5 169.520, 169.540, 169.650 and 169.670, RSMo 2000, are repealed
6 and twenty-nine new sections enacted in lieu thereof, to be known
7 as sections 105.269, 160.420, 169.070, 169.075, 169.270, 169.280,
8 169.291, 169.301, 169.315, 169.324, 169.410, 169.420, 169.430,
9 169.440, 169.450, 169.460, 169.466, 169.471, 169.475, 169.476,
10 169.480, 169.490, 169.500, 169.510, 169.520, 169.540, 169.569,
11 169.650 and 169.670, to read as follows:
12 105.269. 1. Any metropolitan school district [who has
13 individuals who work in said district which are employed by the

1 state of Missouri who participate in the volunteer tutoring
2 program as provided in said section and which has at least a five
3 percent shortage of certified teachers] may [apply to the
4 department of elementary and secondary education for waivers to]
5 allow retired teachers to teach in said metropolitan school
6 district for up to [two] four years without losing his or her
7 retirement benefits or to teach or be an administrator in a
8 charter school established pursuant to sections 160.400 to
9 160.420, RSMo, in said metropolitan school district without
10 losing his or her retirement benefits. Said retired teacher need
11 not be in the teacher's salary scale. Said metropolitan school
12 district shall place an emphasis on hiring retired teachers to
13 teach in areas that include but are not limited to, improving
14 student reading, which may include elementary remedial reading
15 and the "Read to be Ready Program" as established under this act,
16 math, science and special education.

17 2. The department of elementary and secondary education
18 shall adopt rules to implement the provisions of this section.

19 3. Any rule or portion of a rule, as that term is defined
20 in section 536.010, RSMo, that is created under the authority
21 delegated in this section and section 167.640, RSMo, shall become
22 effective only if it complies with and is subject to all of the
23 provisions of chapter 536, RSMo, and, if applicable, section
24 536.028, RSMo. This section and section 167.640, RSMo, and
25 chapter 536, RSMo, are nonseverable and if any of the powers
26 vested with the general assembly pursuant to chapter 536, RSMo,
27 to review, to delay the effective date or to disapprove and annul
28 a rule are subsequently held unconstitutional, then the grant of

1 rulemaking authority and any rule proposed or adopted after
2 August 28, 1999, shall be invalid and void.

3 160.420. 1. If a charter school offers to retain the
4 services of an employee of a school district, and the employee
5 accepts a position at the charter school, the contract between
6 the charter school and the school district may provide that an
7 employee at the employee's option may remain an employee of the
8 district and the charter school shall pay to the district the
9 district's full costs of salary and benefits provided to the
10 employee. A teacher who accepts a position at a charter school
11 and opts to remain an employee of the district retains such
12 teacher's permanent teacher status and seniority rights in the
13 district. The school district shall not be liable for any such
14 employee's acts while an employee of the charter school.

15 2. A charter school may employ noncertificated
16 instructional personnel; provided that no more than twenty
17 percent of the full-time equivalent instructional staff positions
18 at the school are filled by noncertificated personnel. All
19 noncertified instructional personnel shall be supervised by
20 certified instructional personnel. The charter school shall
21 ensure that all instructional employees of the charter school
22 have experience, training and skills appropriate to the
23 instructional duties of the employee, and the charter school
24 shall ensure that a criminal background check and child abuse
25 registry check are conducted for each employee of the charter
26 school prior to the hiring of the employee. Appropriate
27 experience, training and skills of noncertificated instructional
28 personnel shall be determined considering:

1 (1) Teaching certificates issued by another state or
2 states;

3 (2) Certification by the National Standards Board;

4 (3) College degrees in the appropriate field;

5 (4) Evidence of technical training and competence when such
6 is appropriate; and

7 (5) Level of supervision and coordination with certificated
8 instructional staff.

9 3. Personnel employed by the charter school shall
10 participate in the retirement system of the school district in
11 which the charter school is located, subject to the same terms,
12 conditions, requirements and other provisions applicable to
13 personnel employed by the school district. For purposes of
14 participating in the retirement system, the charter school shall
15 be considered to be a public school within the school district,
16 and personnel employed by the charter school shall be public
17 school employees. In the event of a lapse of the school
18 district's corporate organization as described in subsections 1
19 and 4 of section 162.081, RSMo, personnel employed by the charter
20 school shall continue to participate in the retirement system and
21 shall do so on the same terms, conditions, requirements and other
22 provisions as they participated prior to the lapse.

23 169.070. 1. The retirement allowance of a member whose age
24 at retirement is sixty years or more and whose creditable service
25 is five years or more, or whose sum of age and creditable service
26 equals eighty years or more, or who has attained age fifty-five
27 and whose creditable service is twenty-five years or more or
28 whose creditable service is thirty years or more regardless of

age, may be the sum of the following items, not to exceed one hundred percent of the member's final average salary:

(1) Two and five-tenths percent of the member's final average salary for each year of membership service;

(2) Six-tenths of the amount payable for a year of membership service for each year of prior service not exceeding thirty years.

In lieu of the retirement allowance otherwise provided in subdivisions (1) and (2) of this subsection, a member may elect to receive a retirement allowance of:

(3) Between July 1, 1998, and July 1, 2003, two and four-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-nine years or more but less than thirty years, and the member has not attained age fifty-five;

(4) Between July 1, 1998, and July 1, 2003, two and thirty-five-hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-eight years or more but less than twenty-nine years, and the member has not attained age fifty-five;

(5) Between July 1, 1998, and July 1, 2003, two and three-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-seven years or more but less than twenty-eight years, and the member has not attained age fifty-five;

(6) Between July 1, 1998, and July 1, 2003, two and twenty-five-hundredths percent of the member's final average

1 salary for each year of membership service, if the member's
2 creditable service is twenty-six years or more but less than
3 twenty-seven years, and the member has not attained age
4 fifty-five;

5 (7) Between July 1, 1998, and July 1, 2003, two and
6 two-tenths percent of the member's final average salary for each
7 year of membership service, if the member's creditable service is
8 twenty-five years or more but less than twenty-six years, and the
9 member has not attained age fifty-five;

10 (8) Between July 1, 2001, and June 30, 2008, two and
11 fifty-five hundredths percent of the member's final average
12 salary for each year of membership service, if the member's
13 creditable service is thirty-one years or more regardless of age.

14 2. In lieu of the retirement allowance provided in
15 subsection 1 of this section, a member whose age is sixty years
16 or more on September 28, 1975, may elect to have the member's
17 retirement allowance calculated as a sum of the following items:

18 (1) Sixty cents plus one and five-tenths percent of the
19 member's final average salary for each year of membership
20 service;

21 (2) Six-tenths of the amount payable for a year of
22 membership service for each year of prior service not exceeding
23 thirty years;

24 (3) Three-fourths of one percent of the sum of subdivisions
25 (1) and (2) of this subsection for each month of attained age in
26 excess of sixty years but not in excess of age sixty-five.

27 3. (1) In lieu of the retirement allowance provided either
28 in subsection 1 or 2 of this section, collectively called "option

1 1", a member whose creditable service is twenty-five years or
2 more or who has attained the age of fifty-five with five or more
3 years of creditable service may elect in the member's application
4 for retirement to receive the actuarial equivalent of the
5 member's retirement allowance in reduced monthly payments for
6 life during retirement with the provision that:

7 Option 2. Upon the member's death the reduced retirement
8 allowance shall be continued throughout the life of and paid to
9 such person as has an insurable interest in the life of the
10 member as the member shall have nominated in the member's
11 election of the option, and provided further that if the person
12 so nominated dies before the retired member, the retirement
13 allowance will be increased to the amount the retired member
14 would be receiving had the retired member elected option 1;

15 OR

16 Option 3. Upon the death of the member three-fourths of the
17 reduced retirement allowance shall be continued throughout the
18 life of and paid to such person as has an insurable interest in
19 the life of the member and as the member shall have nominated in
20 an election of the option, and provided further that if the
21 person so nominated dies before the retired member, the
22 retirement allowance will be increased to the amount the retired
23 member would be receiving had the member elected option 1;

24 OR

25 Option 4. Upon the death of the member one-half of the
26 reduced retirement allowance shall be continued throughout the
27 life of, and paid to, such person as has an insurable interest in
28 the life of the member and as the member shall have nominated in

1 an election of the option, and provided further that if the
2 person so nominated dies before the retired member, the
3 retirement allowance shall be increased to the amount the retired
4 member would be receiving had the member elected option 1;

5 OR

6 Option 5. Upon the death of the member prior to the member
7 having received one hundred twenty monthly payments of the
8 member's reduced allowance, the remainder of the one hundred
9 twenty monthly payments of the reduced allowance shall be paid to
10 such beneficiary as the member shall have nominated in the
11 member's election of the option or in a subsequent nomination.
12 If there is no beneficiary so nominated who survives the member
13 for the remainder of the one hundred twenty monthly payments, the
14 reserve for the remainder of such one hundred twenty monthly
15 payments shall be paid to the estate of the last person to
16 receive a monthly allowance;

17 OR

18 Option 6. Upon the death of the member prior to the member
19 having received sixty monthly payments of the member's reduced
20 allowance, the remainder of the sixty monthly payments of the
21 reduced allowance shall be paid to such beneficiary as the member
22 shall have nominated in the member's election of the option or in
23 a subsequent nomination. If there is no beneficiary so nominated
24 who survives the member for the remainder of the sixty monthly
25 payments, the reserve of the remainder of such sixty monthly
26 payments shall be paid to the estate of the last person to
27 receive a monthly allowance.

28 (2) The election of an option may be made only in the

1 application for retirement and such application must be filed
2 prior to the date on which the retirement of the member is to be
3 effective. If either the member or the person nominated to
4 receive the survivorship payments dies before the effective date
5 of retirement, the option shall not be effective, provided that:

6 (a) If the member or a person retired on disability
7 retirement dies after acquiring twenty-five or more years of
8 creditable service or after attaining the age of fifty-five years
9 and acquiring five or more years of creditable service and before
10 retirement, except retirement with disability benefits, and the
11 person named by the member as the member's primary beneficiary
12 has an insurable interest in the life of the deceased member, the
13 designated beneficiary may elect to receive either survivorship
14 benefits under option 2 or a payment of the accumulated
15 contributions of the member. If survivorship benefits under
16 option 2 are elected and the member at the time of death would
17 have been eligible to receive an actuarial equivalent of the
18 member's retirement allowance, the designated beneficiary may
19 further elect to defer the option 2 payments until the date the
20 member would have been eligible to receive the retirement
21 allowance provided in subsection 1 or 2 of this section;

22 (b) If the member or a person retired on disability
23 retirement dies before attaining age fifty-five but after
24 acquiring five but fewer than twenty-five years of creditable
25 service, and the person named as the member's primary beneficiary
26 has an insurable interest in the life of the deceased member, the
27 designated beneficiary may elect to receive either a payment of
28 the member's accumulated contributions, or survivorship benefits

1 under option 2 to begin on the date the member would first have
2 been eligible to receive an actuarial equivalent of the member's
3 retirement allowance, or to begin on the date the member would
4 first have been eligible to receive the retirement allowance
5 provided in subsection 1 or 2 of this section.

6 4. If the total of the retirement allowance paid to an
7 individual before the death of the individual is less than the
8 accumulated contributions at the time of retirement, the
9 difference shall be paid to the beneficiary of the individual, or
10 to the estate of the individual, if there be no beneficiary. If
11 an optional benefit as provided in option 2, 3 or 4 in subsection
12 3 of this section had been elected, and the beneficiary dies
13 after receiving the optional benefit, and if the total retirement
14 allowance paid to the retired individual and the beneficiary of
15 the retired individual is less than the total of the
16 contributions, the difference shall be paid to the estate of the
17 beneficiary unless the retired individual designates a different
18 recipient with the board at or after retirement.

19 5. If a member dies before receiving a retirement
20 allowance, the member's accumulated contributions at the time of
21 the death of the member shall be paid to the beneficiary of the
22 member or to the estate of the member, if there be no
23 beneficiary; except that, no such payment shall be made if the
24 beneficiary elects option 2 in subsection 3 of this section,
25 unless the beneficiary dies before having received benefits
26 pursuant to that subsection equal to the accumulated
27 contributions of the member, in which case the amount of
28 accumulated contributions in excess of the total benefits paid

1 pursuant to that subsection shall be paid to the estate of the
2 beneficiary.

3 6. If a member ceases to be a public school employee as
4 herein defined and certifies to the board of trustees that such
5 cessation is permanent, or if the membership of the person is
6 otherwise terminated, the member shall be paid the member's
7 accumulated contributions with interest.

8 7. Notwithstanding any provisions of sections 169.010 to
9 169.141 to the contrary, if a member ceases to be a public school
10 employee after acquiring five or more years of membership service
11 in Missouri, the member may at the option of the member leave the
12 member's contributions with the retirement system and claim a
13 retirement allowance any time after reaching the minimum age for
14 voluntary retirement. When the member's claim is presented to
15 the board, the member shall be granted an allowance as provided
16 in sections 169.010 to 169.141 on the basis of the member's age,
17 years of service, and the provisions of the law in effect at the
18 time the member requests the member's retirement to become
19 effective.

20 8. The retirement allowance of a member retired because of
21 disability shall be nine-tenths of the allowance to which the
22 member's creditable service would entitle the member if the
23 member's age were sixty, or fifty percent of one-twelfth of the
24 annual salary rate used in determining the member's contributions
25 during the last school year for which the member received a year
26 of creditable service immediately prior to the member's
27 disability, whichever is greater, except that no such allowance
28 shall exceed the retirement allowance to which the member would

1 have been entitled upon retirement at age sixty if the member had
2 continued to teach from the date of disability until age sixty at
3 the same salary rate.

4 9. Notwithstanding any provisions of sections 169.010 to
5 169.141 to the contrary, from October 13, 1961, the contribution
6 rate pursuant to sections 169.010 to 169.141 shall be multiplied
7 by the factor of two-thirds for any member of the system for whom
8 federal Old Age and Survivors Insurance tax is paid from state or
9 local tax funds on account of the member's employment entitling
10 the person to membership in the system. The monetary benefits
11 for a member who elected not to exercise an option to pay into
12 the system a retroactive contribution of four percent on that
13 part of the member's annual salary rate which was in excess of
14 four thousand eight hundred dollars but not in excess of eight
15 thousand four hundred dollars for each year of employment in a
16 position covered by this system between July 1, 1957, and July 1,
17 1961, as provided in subsection 10 of this section as it appears
18 in RSMo 1969, shall be the sum of:

19 (1) For years of service prior to July 1, 1946, six-tenths
20 of the full amount payable for years of membership service;

21 (2) For years of membership service after July 1, 1946, in
22 which the full contribution rate was paid, full benefits under
23 the formula in effect at the time of the member's retirement;

24 (3) For years of membership service after July 1, 1957, and
25 prior to July 1, 1961, the benefits provided in this section as
26 it appears in RSMo 1959; except that if the member has at least
27 thirty years of creditable service at retirement the member shall
28 receive the benefit payable pursuant to that section as though

1 the member's age were sixty-five at retirement;

2 (4) For years of membership service after July 1, 1961, in
3 which the two-thirds contribution rate was paid, two-thirds of
4 the benefits under the formula in effect at the time of the
5 member's retirement.

6 10. The monetary benefits for each other member for whom
7 federal Old Age and Survivors Insurance tax is or was paid at any
8 time from state or local funds on account of the member's
9 employment entitling the member to membership in the system shall
10 be the sum of:

11 (1) For years of service prior to July 1, 1946, six-tenths
12 of the full amount payable for years of membership service;

13 (2) For years of membership service after July 1, 1946, in
14 which the full contribution rate was paid, full benefits under
15 the formula in effect at the time of the member's retirement;

16 (3) For years of membership service after July 1, 1957, in
17 which the two-thirds contribution rate was paid, two-thirds of
18 the benefits under the formula in effect at the time of the
19 member's retirement.

20 11. Any retired member of the system who was retired prior
21 to September 1, 1972, or beneficiary receiving payments under
22 option 1 or option 2 of subsection 3 of this section, as such
23 option existed prior to September 1, 1972, will be eligible to
24 receive an increase in the retirement allowance of the member of
25 two percent for each year, or major fraction of more than
26 one-half of a year, which the retired member has been retired
27 prior to July 1, 1975. This increased amount shall be payable
28 commencing with January, 1976, and shall thereafter be referred

1 to as the member's retirement allowance. The increase provided
2 for in this subsection shall not affect the retired member's
3 eligibility for compensation provided for in section 169.580 or
4 169.585, nor shall the amount being paid pursuant to these
5 sections be reduced because of any increases provided for in this
6 section.

7 12. If the board of trustees determines that the cost of
8 living, as measured by generally accepted standards, increases
9 two percent or more in the preceding fiscal year, the board shall
10 increase the retirement allowances which the retired members or
11 beneficiaries are receiving by two percent of the amount being
12 received by the retired member or the beneficiary at the time the
13 annual increase is granted by the board with the provision that
14 the increases provided for in this subsection shall not become
15 effective until the fourth January first following the member's
16 retirement or January 1, 1977, whichever later occurs, or in the
17 case of any member retiring on or after July 1, 2000, [and not
18 for any member retiring before July 1, 2000,] the increase
19 provided for in this subsection shall not become effective until
20 the third January first following the member's retirement, or in
21 the case of any member retiring on or after July 1, 2001, the
22 increase provided for in this subsection shall not become
23 effective until the second January first following the member's
24 retirement. Commencing with January 1, 1992, if the board of
25 trustees determines that the cost of living has increased five
26 percent or more in the preceding fiscal year, the board shall
27 increase the retirement allowances by five percent. The total of
28 the increases granted to a retired member or the beneficiary

1 after December 31, 1976, may not exceed eighty percent of the
2 retirement allowance established at retirement or as previously
3 adjusted by other subsections. If the cost of living increases
4 less than five percent, the board of trustees may determine the
5 percentage of increase to be made in retirement allowances, but
6 at no time can the increase exceed five percent per year. If the
7 cost of living decreases in a fiscal year, there will be no
8 increase in allowances for retired members on the following
9 January first.

10 13. The board of trustees may reduce the amounts which have
11 been granted as increases to a member pursuant to subsection 12
12 of this section if the cost of living, as determined by the board
13 and as measured by generally accepted standards, is less than the
14 cost of living was at the time of the first increase granted to
15 the member; except that, the reductions shall not exceed the
16 amount of increases which have been made to the member's
17 allowance after December 31, 1976.

18 14. Any application for retirement shall include a sworn
19 statement by the member certifying that the spouse of the member
20 at the time the application was completed was aware of the
21 application and the plan of retirement elected in the
22 application.

23 15. Notwithstanding any other provision of law, any person
24 retired prior to September 28, 1983, who is receiving a reduced
25 retirement allowance under option 1 or option 2 of subsection 3
26 of this section, as such option existed prior to September 28,
27 1983, and whose beneficiary nominated to receive continued
28 retirement allowance payments under the elected option dies or

1 has died, shall upon application to the board of trustees have
2 his or her retirement allowance increased to the amount he or she
3 would have been receiving had the option not been elected,
4 actuarially adjusted to recognize any excessive benefits which
5 would have been paid to him or her up to the time of application.

6 16. Benefits paid pursuant to the provisions of the public
7 school retirement system of Missouri shall not exceed the
8 limitations of Section 415 of Title 26 of the United States Code
9 except as provided pursuant to this subsection. Notwithstanding
10 any other law to the contrary, the board of trustees may
11 establish a benefit plan pursuant to Section 415(m) of Title 26
12 of the United States Code. Such plan shall be created solely for
13 the purpose described in Section 415(m)(3)(A) of Title 26 of the
14 United States Code. The board of trustees may promulgate
15 regulations necessary to implement the provisions of this
16 subsection and to create and administer such benefit plan.

17 17. Notwithstanding any other provision of law to the
18 contrary, any person retired before, on, or after May 26, 1994,
19 shall be made, constituted, appointed and employed by the board
20 as a special consultant on the matters of education, retirement
21 and aging, and upon request shall give written or oral opinions
22 to the board in response to such requests. As compensation for
23 such duties the person shall receive an amount based on the
24 person's years of service so that the total amount received
25 pursuant to sections 169.010 to 169.141 shall be at least the
26 minimum amounts specified in subdivisions (1) to (4) of this
27 subsection. In determining the minimum amount to be received,
28 the amounts in subdivisions (3) and (4) of this subsection shall

1 be adjusted in accordance with the actuarial adjustment, if any,
2 that was applied to the person's retirement allowance. In
3 determining the minimum amount to be received, beginning
4 September 1, 1996, the amounts in subdivisions (1) and (2) of
5 this subsection shall be adjusted in accordance with the
6 actuarial adjustment, if any, that was applied to the person's
7 retirement allowance due to election of an optional form of
8 retirement having a continued monthly payment after the person's
9 death. Notwithstanding any other provision of law to the
10 contrary, no person retired before, on, or after May 26, 1994,
11 and no beneficiary of such a person, shall receive a retirement
12 benefit pursuant to sections 169.010 to 169.141 based on the
13 person's years of service less than the following amounts:

14 (1) Thirty or more years of service, one thousand two
15 hundred dollars;

16 (2) At least twenty-five years but less than thirty years,
17 one thousand dollars;

18 (3) At least twenty years but less than twenty-five years,
19 eight hundred dollars;

20 (4) At least fifteen years but less than twenty years, six
21 hundred dollars.

22 18. Notwithstanding any other provisions of law to the
23 contrary, any person retired prior to May 26, 1994, and any
24 designated beneficiary of such a retired member who was deceased
25 prior to July 1, 1999, shall be made, constituted, appointed and
26 employed by the board as a special consultant on the matters of
27 education, retirement or aging and upon request shall give
28 written or oral opinions to the board in response to such

1 requests. Beginning September 1, 1996, as compensation for such
2 service, the member shall have added, pursuant to this
3 subsection, to the member's monthly annuity as provided by this
4 section a dollar amount equal to the lesser of sixty dollars or
5 the product of two dollars multiplied by the member's number of
6 years of creditable service. Beginning September 1, 1999, the
7 designated beneficiary of the deceased member shall as
8 compensation for such service have added, pursuant to this
9 subsection, to the monthly annuity as provided by this section a
10 dollar amount equal to the lesser of sixty dollars or the product
11 of two dollars multiplied by the member's number of years of
12 creditable service. The total compensation provided by this
13 section including the compensation provided by this subsection
14 shall be used in calculating any future cost-of-living
15 adjustments provided by subsection 12 of this section.

16 19. Any member who has retired prior to July 1, 1998, and
17 the designated beneficiary of a deceased retired member shall be
18 made, constituted, appointed and employed by the board as a
19 special consultant on the matters of education, retirement and
20 aging, and upon request shall give written or oral opinions to
21 the board in response to such requests. As compensation for such
22 duties the person shall receive a payment equivalent to eight and
23 seven-tenths percent of the previous month's benefit, which shall
24 be added to the member's or beneficiary's monthly annuity and
25 which shall not be subject to the provisions of subsections 12
26 and 13 of this section for the purposes of the limit on the total
27 amount of increases which may be received.

28 20. Any member who has retired shall be made, constituted,

1 appointed and employed by the board as a special consultant on
2 the matters of education, retirement and aging, and upon request
3 shall give written or oral opinions to the board in response to
4 such request. As compensation for such duties, the person shall
5 receive as a part of compensation for these duties a death
6 benefit of five thousand dollars.

7 21. Any member who has retired prior to July 1, 1999, and
8 the designated beneficiary of a retired member who was deceased
9 prior to July 1, 1999, shall be made, constituted, appointed and
10 employed by the board as a special consultant on the matters of
11 education, retirement and aging, and upon request shall give
12 written or oral opinions to the board in response to such
13 requests. As compensation for such duties, the person shall have
14 added, pursuant to this subsection, to the monthly annuity as
15 provided by this section a dollar amount equal to five dollars
16 times the member's number of years of creditable service.

17 22. Any member who has retired prior to July 1, 2000, and
18 the designated beneficiary of a deceased retired member shall be
19 made, constituted, appointed and employed by the board as a
20 special consultant on the matters of education, retirement and
21 aging, and upon request shall give written or oral opinions to
22 the board in response to such requests. As compensation for such
23 duties, the person shall receive a payment equivalent to three
24 and five-tenths percent of the previous month's benefit, which
25 shall be added to the member or beneficiary's monthly annuity and
26 which shall not be subject to the provisions of subsections 12
27 and 13 of this section for the purposes of the limit on the total
28 amount of increases which may be received.

1 23. Any member who has retired prior to July 1, 2001, and
2 the designated beneficiary of a deceased retired member shall be
3 made, constituted, appointed and employed by the board as a
4 special consultant on the matters of education, retirement and
5 aging, and upon request shall give written or oral opinions to
6 the board in response to such requests. As compensation for such
7 duties, the person shall receive a dollar amount equal to three
8 dollars times the member's number of years of creditable service,
9 which shall be added to the member or beneficiary's monthly
10 annuity and which shall not be subject to the provisions of
11 subsection 12 and 13 of this section for the purposes of the
12 limit on the total amount of increases which may be received.

13 169.075. 1. Certain survivors specified in this section
14 and meeting the requirements of this section may elect to forfeit
15 any payments payable pursuant to subsection 3 or 5 of section
16 169.070 and to receive certain other benefits described in this
17 section upon the death of a member prior to retirement, except
18 retirement with disability benefits, whose period of creditable
19 service in districts included in the retirement system is two
20 years or more and who dies (a) while teaching in a district
21 included in the retirement system, or (b) as a result of an
22 injury or sickness incurred while teaching in such a district and
23 within one year of the commencement of such injury or sickness,
24 or (c) while eligible for a disability retirement allowance
25 hereunder.

26 2. Upon an election pursuant to subsection 1 of this
27 section, a surviving spouse sixty years of age, or upon
28 attainment of age sixty, or a surviving spouse who has been

1 totally and permanently disabled for not less than five years
2 immediately preceding the death of a member if designated as the
3 sole beneficiary, and if married to the member at least three
4 years, and if living with such member at the time of the member's
5 death, shall be entitled to a monthly payment equal to twenty
6 percent of one-twelfth of the annual salary rate on which the
7 member contributed for the member's last full year of creditable
8 service as a teacher in a district included in the retirement
9 system until death or recovery prior to age sixty from the
10 disability which qualified the spouse for the benefit, whichever
11 first occurs; provided that the monthly payment shall not be less
12 than five hundred seventy-five dollars or more than eight hundred
13 sixty dollars. A surviving spouse, who is eligible for benefits
14 pursuant to this subsection and also pursuant to subsection 3 of
15 this section may receive benefits only pursuant to subsection 3
16 of this section as long as the surviving spouse remains eligible
17 pursuant to both subsections, but shall not be disqualified for
18 the benefit provided in this subsection because the surviving
19 spouse may have received payments pursuant to subsection 3 of
20 this section. Beginning August 28, 2001, a surviving spouse who
21 otherwise meets the requirements of this subsection but who
22 remarried prior to August 28, 1995, shall be entitled, upon an
23 election pursuant to subsection 1 of this section, to any
24 remaining benefits that would otherwise have been received had
25 the surviving spouse not remarried before the change in law
26 permitting remarried surviving spouses to continue receiving
27 benefits. Such surviving spouses may, upon application, become
28 special consultants whose benefit will be to receive the

1 remaining benefits described in this subsection. No benefit
2 shall be paid to such surviving spouse unless he or she files a
3 valid application for such benefit with the retirement system
4 postmarked on or before June 30, 2002. In no event shall any
5 retroactive benefits be paid.

6 3. Upon an election pursuant to subsection 1 of this
7 section, a surviving spouse, if designated as the sole
8 beneficiary, who has in the surviving spouse's care a dependent
9 unmarried child, including a stepchild or adopted child, of the
10 deceased member, under eighteen years of age, shall be entitled
11 to a monthly payment equal to twenty percent of one-twelfth of
12 the annual salary rate on which the member contributed for the
13 member's last full year of creditable service as a teacher in a
14 district included in the retirement system until the surviving
15 spouse's death, or the first date when no such dependent
16 unmarried child under age eighteen, or age twenty-four if the
17 child is enrolled in school on a full-time basis, remains in the
18 surviving spouse's care, whichever first occurs; provided that
19 the monthly payment shall not be less than five hundred
20 seventy-five dollars or more than eight hundred sixty dollars.
21 In addition the surviving spouse shall be entitled to a monthly
22 payment equal to one-half this amount, provided that the monthly
23 payment shall not be less than three hundred dollars, for each
24 such dependent unmarried child under eighteen years of age, or
25 age twenty-four if the child is enrolled in school on a full-time
26 basis, who remains in the surviving spouse's care. Further, in
27 addition to the monthly payment to the surviving spouse as
28 provided for in this subsection, each dependent unmarried child

1 under the age of eighteen years of the deceased member not in the
2 care of such surviving spouse shall be entitled to a monthly
3 payment equal to one-half of the surviving spouse's monthly
4 payment which shall be paid to the child's primary custodial
5 parent or legal guardian; provided that the payment because of an
6 unmarried dependent child shall be made until the child attains
7 age twenty-four if the child is enrolled in school on a full-time
8 basis; provided, however, that the total of all monthly payments
9 to the surviving spouse, primary custodial parent or legal
10 guardian, including payments for such dependent unmarried
11 children, shall in no event exceed two thousand one hundred sixty
12 dollars, the amount of the children's share to be allocated
13 equally as to each dependent unmarried child eligible to receive
14 payments pursuant to this subsection.

15 4. Upon an election pursuant to subsection 1 of this
16 section if the designated beneficiary is a dependent unmarried
17 child as defined in this section or automatically upon the death
18 of a surviving spouse receiving benefits pursuant to subsection 3
19 of this section, each surviving dependent unmarried child,
20 including a stepchild or adopted child, of the deceased member,
21 under eighteen years of age, or such a child under age
22 twenty-four if the child is enrolled in school on a full-time
23 basis, shall be entitled to a monthly payment equal to sixteen
24 and two-thirds percent of one-twelfth of the annual salary rate
25 on which the member contributed for the member's last full year
26 of creditable service as a teacher in a district included in the
27 retirement system until death, marriage, adoption, or attainment
28 of age eighteen or age twenty-four if enrolled in school on a

1 full-time basis, whichever first occurs; provided that the
2 monthly payment shall not be less than five hundred dollars or
3 more than seven hundred twenty dollars, and provided further that
4 any child of the deceased member who is disabled before
5 attainment of age eighteen because of a physical or mental
6 impairment which renders the child unable to engage in any
7 substantial gainful activity and which disability continues after
8 the child has attained age eighteen shall be entitled to a like
9 monthly payment, until death, marriage, adoption, or recovery
10 from the disability, whichever first occurs; provided, however,
11 that the total of all monthly payments to the surviving dependent
12 unmarried children shall in no event exceed two thousand one
13 hundred sixty dollars.

14 5. Upon an election pursuant to subsection 1 of this
15 section, a surviving dependent parent of the deceased member,
16 over sixty-five years of age or upon attainment of age sixty-five
17 if designated as the sole beneficiary, provided such dependent
18 parent was receiving at least one-half of the parent's support
19 from such member at the time of the member's death and provided
20 the parent files proof of such support within two years of such
21 death, shall be entitled to a monthly payment equal to sixteen
22 and two-thirds percent of one-twelfth of the annual salary rate
23 on which the member contributed for the member's last full year
24 as a teacher in a district included in the retirement system
25 until death; provided that the monthly payment shall not be less
26 than five hundred dollars or more than seven hundred twenty
27 dollars. If the other parent also is a dependent, as defined in
28 this section, the same amount shall be paid to each until death.

1 6. All else in this section to the contrary
2 notwithstanding, a survivor may not be eligible to benefit
3 pursuant to this section because of more than one terminated
4 membership, and be it further provided that the board of trustees
5 shall determine and decide all questions of doubt as to what
6 constitutes dependency within the meaning of this section.

7 7. The provisions added to subsection 3 of this section in
8 1991 are intended to clarify the scope and meaning of this
9 section as originally enacted and shall be applied in all cases
10 in which such an election has occurred or will occur.

11 8. After July 1, 2000, all benefits payable pursuant to
12 subsections 1 to 7 of this section shall be payable to eligible
13 current and future survivor beneficiaries in accordance with this
14 section.

15 9. The system shall pay a monthly retirement allowance for
16 the month in which a retired member, beneficiary or survivor
17 receiving a retirement allowance or survivor benefit dies.

18 169.270. Unless a different meaning is clearly required by
19 the context, the following words and phrases as used in sections
20 169.270 to 169.400 shall have the following meanings:

21 (1) "Accumulated contributions", the sum of all amounts
22 deducted from the compensation of a member or paid on behalf of
23 the member by the employer and credited to the member's
24 individual account together with interest thereon in the
25 employees' contribution fund. The board of trustees shall
26 determine the rate of interest allowed thereon as provided for in
27 section 169.295;

28 (2) "Actuarial equivalent", a benefit of equal value when

1 computed upon the basis of formulas and/or tables which have been
2 approved by the board of trustees;

3 (3) "Average final compensation", the highest average
4 annual compensation received for any four consecutive years of
5 service. In determining whether years of service are
6 "consecutive", only periods for which creditable service is
7 earned shall be considered, and all other periods shall be
8 disregarded;

9 (4) "Beneficiary", any person designated by a member for a
10 retirement allowance or other benefit as provided by sections
11 169.270 to 169.400;

12 (5) "Board of education", the board of directors or
13 corresponding board, by whatever name, having charge of the
14 public schools of the school district in which the retirement
15 system is established;

16 (6) "Board of trustees", the board provided for in section
17 169.291 to administer the retirement system;

18 (7) "Break in service", an occurrence when a regular
19 employee ceases to be a regular employee for any reason
20 (including termination of employment, resignation, retirement or
21 furlough but not including vacation, sick leave, excused absence
22 or leave of absence granted by an employer) and such person does
23 not again become a regular employee until after fifteen
24 consecutive school or work days have elapsed. A "school or work
25 day" is a day on which the employee's employer requires (or if
26 the position no longer exists, would require, based on past
27 practice) employees having the former employee's last job
28 description to report to their place of employment for any

1 reason;

2 (8) "Charter school", any charter school established
3 pursuant to section 160.400 to 160.420, RSMo, and located, at the
4 time it is established, within the school district;

5 (9) "Compensation", the regular compensation as shown on
6 the salary and wage schedules of the employer plus any amounts
7 paid by the employer on a member's behalf pursuant to subdivision
8 (5) of subsection 1 of section 169.350, but such term is not to
9 include extra pay, overtime pay, consideration for entering into
10 early retirement, or any other payments not included on salary
11 and wage schedules. For any year beginning after December 31,
12 1988, the annual compensation of each member taken into account
13 under the retirement system shall not exceed the limitation set
14 forth in Section 401(a)(17) of the Internal Revenue Code of 1986,
15 as amended;

16 [(9)] (10) "Creditable service", the amount of time that a
17 regular employee is a member of the retirement system and makes
18 contributions thereto in accordance with the provisions of
19 sections 169.270 to 169.400;

20 (11) "Employee", any person who is classified by the school
21 district, a charter school, the library district or the
22 retirement system established by section 169.280 as an employee
23 of such employer and is reported contemporaneously for federal
24 and state tax purposes as an employee of such employer. A person
25 is not considered to be an employee for purposes of such
26 retirement system with respect to any service for which the
27 person was not reported contemporaneously for federal and state
28 tax purposes as an employee of such employer, regardless of

1 whether the person is or may later be determined to be or to have
2 been a common law employee of such employer, including but not
3 limited to person classified by the employer as independent
4 contractors and persons employed by other entities which contract
5 to provide staff and services to the employer. In no event shall
6 a person reported for federal tax purposes as an employee of a
7 private, for-profit entity be deemed to be an employee eligible
8 to participate in the retirement system established by section
9 169.280 with respect to such employment;

10 [(10)] (12) "Employer", the school district, any charter
11 school, the library district, or the retirement system
12 established by section 169.280, or any combination thereof, as
13 required by the context to identify the [common law] employer of
14 any member, or, for purposes only of subsection 2 of section
15 169.324, of any retirant;

16 [(11)] (13) "Employer's board", the board of education, the
17 governing board of any charter school, the board of trustees of
18 the library district, the board of trustees, or any combination
19 thereof, as required by the context to identify the governing
20 body of an employer;

21 [(12)] (14) "Library district", any urban public library
22 district created from or within a school district under the
23 provisions of section 182.703, RSMo;

24 [(13)] (15) "Medical board", the board of physicians
25 provided for in section 169.291;

26 [(14)] (16) "Member", any person who is a regular employee
27 after the retirement system has been established hereunder
28 ("active member"), and any person who (i) was an active member,

(ii) has vested retirement benefits hereunder, and (iii) is not receiving a retirement allowance hereunder ("inactive member");

[(15)] (17) "Minimum normal retirement age", the earlier of the member attaining the age of sixty or has a total of at least seventy-five credits, with each year of creditable service, and prorated for fractional years, equal to one credit and each year of age, and prorated for fractional years, equal to one credit;

[(16)] (18) "Prior service", service prior to the date the system becomes operative which is creditable in accordance with the provisions of section 169.311. Prior service in excess of thirty-eight years shall be considered thirty-eight years;

[(17)] (19) "Regular employee", any [person employed by the school district, the library district, or the retirement system] employee who is assigned to an established position which requires [a] service of not less than five hours per day, five days per week, and not less than nine calendar months a year. Any regular employee who is subsequently assigned without break in service to a position demanding less service than is required of a regular employee shall continue the employee's status as a regular employee. However, a temporary, part-time or furloughed employee is not a regular employee;

[(18)] (20) "Retirant", a former member receiving a retirement allowance hereunder;

[(19)] (21) "Retirement allowance", annuity payments to a retirant or to such beneficiary as is entitled to same;

[(20)] (22) "School district", any school district in which a retirement system shall be established under section 169.280.

169.280. 1. In each school district of this state (i) that

1 now has or may hereafter have a population of not more than seven
2 hundred thousand and (ii) not less than seventy percent of whose
3 population resides in a city other than a city not within a
4 county which now has or may hereafter have a population of four
5 hundred thousand or more, according to the latest United States
6 decennial census, there is hereby created and established a
7 retirement system for the purpose of providing retirement
8 allowances and related benefits for employees of the employer.
9 Each such system shall be under the management of a board of
10 trustees herein described, and shall be known as "The Public
11 School Retirement System of (name of school district)", and by
12 such name all of its business shall be transacted, all of its
13 funds invested, and all of its cash and securities and other
14 property held. When a school district first satisfies the
15 foregoing population conditions, the board of education shall
16 adopt a resolution certifying the same and take all actions
17 necessary to cause the retirement system to begin operation on
18 the thirtieth day of September following such certification.

19 2. In the event that (i) the population of a school
20 district having a retirement system created hereunder should
21 increase to a number greater than seven hundred thousand, or (ii)
22 the population of the city in which not less than seventy percent
23 of the population of the school district resides should decrease
24 to a number less than four hundred thousand, or (iii) less than
25 seventy percent of the population of the school district should
26 reside in a city having a population of at least four hundred
27 thousand, or (iv) the corporate organization of the school
28 district shall lapse in accordance with subsections 1 and 4 of

1 section 162.081, RSMo, the retirement system of such school
2 district shall continue to be governed by and subject to sections
3 169.270 to 169.400 and all other statutes, rules, and regulations
4 applicable to retirement systems in school districts having a
5 population of not more than seven hundred thousand and not less
6 than seventy percent of whose population resides in a city, other
7 than a city not within a county, of four hundred thousand or
8 more, as if the population of such school district and city
9 continued to be within such numerical limits.

10 169.291. 1. The general administration and the
11 responsibility for the proper operation of the retirement system
12 are hereby vested in a board of trustees of twelve persons who
13 shall be resident taxpayers of the school district, as follows:

14 (1) Four trustees to be appointed for terms of four years
15 by the board of education; provided, however, that the terms of
16 office of the first four trustees so appointed shall begin
17 immediately upon their appointment and shall expire one, two,
18 three and four years from the date the retirement system becomes
19 operative, respectively;

20 (2) Four trustees to be elected for terms of four years by
21 and from the members of the retirement system; provided, however,
22 that the terms of office of the first four trustees so elected
23 shall begin immediately upon their election and shall expire one,
24 two, three and four years from the date the retirement system
25 becomes operative, respectively;

26 (3) The ninth trustee shall be the superintendent of
27 schools of the school district;

28 (4) The tenth trustee shall be one retirant of the

1 retirement system elected for a term of four years beginning the
2 first day of January immediately following August 13, 1986, by
3 the retirants of the retirement system;

4 (5) The eleventh trustee shall be appointed for a term of
5 four years beginning the first day of January immediately
6 following August 13, 1990, by the board of trustees described in
7 subdivision (3) of section 182.701, RSMo;

8 (6) The twelfth trustee shall be a retirant of the
9 retirement system elected for a term of four years beginning the
10 first day of January immediately following August 28, 1992, by
11 the retirants of the retirement system.

12 2. If a vacancy occurs in the office of a trustee, the
13 vacancy shall be filled for the unexpired term in the same manner
14 as the office was previously filled, except that the board of
15 trustees may appoint a qualified person to fill the vacancy in
16 the office of an elected member until the next regular election
17 at which time a member shall be elected for the unexpired term.
18 No vacancy or vacancies on the board of trustees shall impair the
19 power of the remaining trustees to administer the retirement
20 system pending the filling of such vacancy or vacancies.

21 3. In the event of a lapse of the school district's
22 corporate organization as described in subsections 1 and 4 of
23 section 162.081, RSMo, the general administration and
24 responsibility for the proper operation of the retirement system
25 shall continue to be vested in a twelve-person board of trustees,
26 all of whom shall be resident taxpayers of a city, other than a
27 city not within a county, of four hundred thousand or more. In
28 such event, if vacancies occur in the offices of the four

1 trustees appointed, prior to the lapse, by the board of
2 education, or in the offices of the four trustees elected, prior
3 to the lapse, by the members of the retirement system, or in the
4 office of trustee held, prior to the lapse, by the superintendent
5 of schools in the school district, as provided in subdivisions
6 (1), (2) and (3) of subsection 1 of this section, the board of
7 trustees shall appoint a qualified person to fill each vacancy
8 and subsequent vacancies in the office of trustee for terms of up
9 to four years, as determined by the board of trustees.

10 [3.] 4. Each trustee shall, before assuming the duties of a
11 trustee, take the oath of office before the court of the judicial
12 circuit or one of the courts of the judicial circuit in which the
13 school district is located that so far as it devolves upon the
14 trustee, such trustee shall diligently and honestly administer
15 the affairs of the board of trustees and that the trustee will
16 not knowingly violate or willingly permit to be violated any of
17 the provisions of the law applicable to the retirement system.
18 Such oath shall be subscribed to by the trustee making it and
19 filed in the office of the clerk of the circuit court.

20 [4.] 5. Each trustee shall be entitled to one vote in the
21 board of trustees. Seven trustees shall constitute a quorum at
22 any meeting of the board of trustees. At any meeting of the
23 board of trustees where a quorum is present, the vote of at least
24 seven of the trustees in support of a motion, resolution or other
25 matter is necessary to be the decision of the board; provided,
26 however, that in the event of a lapse in the school district's
27 corporate organization as described in subsections 1 and 4 of
28 section 162.081, RSMo, a majority of the trustees then in office

1 shall constitute a quorum at any meeting of the board of
2 trustees, and the vote of a majority of the trustees then in
3 office in support of a motion, resolution or other matter shall
4 be necessary to be the decision of the board.

5 [5.] 6. The board of trustees shall have exclusive original
6 jurisdiction in all matters relating to or affecting the funds
7 herein provided for, including, in addition to all other matters,
8 all claims for benefits or refunds, and its action, decision or
9 determination in any matter shall be reviewable in accordance
10 with chapter 536, RSMo, or chapter 621, RSMo. Subject to the
11 limitations of sections 169.270 to 169.400, the board of trustees
12 shall, from time to time, establish rules and regulations for the
13 administration of funds of the retirement system, for the
14 transaction of its business, and for the limitation of the time
15 within which claims may be filed.

16 [6.] 7. The trustees shall serve without compensation. The
17 board of trustees shall elect from its membership a chairman and
18 a vice chairman. The board of trustees shall appoint an executive
19 director who shall serve as the administrative officer of the
20 retirement system and as secretary to the board of trustees. It
21 shall employ one or more persons, firms or corporations
22 experienced in the investment of moneys to serve as investment
23 counsel to the board of trustees. The compensation of all
24 persons engaged by the board of trustees and all other expenses
25 of the board necessary for the operation of the retirement system
26 shall be paid at such rates and in such amounts as the board of
27 trustees shall approve, and shall be paid from the investment
28 income.

1 [7.] 8. The board of trustees shall keep in convenient form
2 such data as shall be necessary for actuarial valuations of the
3 various funds of the retirement system and for checking the
4 experience of the system.

5 [8.] 9. The board of trustees shall keep a record of all
6 its proceedings which shall be open to public inspection. It
7 shall prepare annually and furnish to the board of education and
8 to each member of the retirement system who so requests a report
9 showing the fiscal transactions of the retirement system for the
10 preceding fiscal year, the amount of accumulated cash and
11 securities of the system, and the last balance sheet showing the
12 financial condition of the system by means of an actuarial
13 valuation of the assets and liabilities of the retirement system.

14 [9.] 10. The board of trustees shall have, in its own name,
15 power to sue and to be sued, to enter into contracts, to own
16 property, real and personal, and to convey the same; but the
17 members of such board of trustees shall not be personally liable
18 for obligations or liabilities of the board of trustees or of the
19 retirement system.

20 [10.] 11. The board of trustees shall arrange for necessary
21 legal advice for the operation of the retirement system.

22 [11.] 12. The board of trustees shall designate a medical
23 board to be composed of three physicians who shall not be
24 eligible for membership in the system and who shall pass upon all
25 medical examinations required under the provisions of sections
26 169.270 to 169.400, shall investigate all essential statements
27 and certificates made by or on behalf of a member in connection
28 with an application for disability retirement and shall report in

1 writing to the board of trustees its conclusions and
2 recommendations upon all matters referred to it.

3 [12.] 13. The board of trustees shall designate an actuary
4 who shall be the technical advisor of the board of trustees on
5 matters regarding the operation of the retirement system and
6 shall perform such other duties as are required in connection
7 therewith. Such person shall be qualified as an actuary by
8 membership as a Fellow of the Society of Actuaries or by similar
9 objective standards.

10 [13.] 14. At least once in each five-year period the
11 actuary shall make an investigation into the actuarial experience
12 of the members, retirants and beneficiaries of the retirement
13 system and, taking into account the results of such
14 investigation, the board of trustees shall adopt for the
15 retirement system such actuarial assumptions as the board of
16 trustees deems necessary for the financial soundness of the
17 retirement system.

18 [14.] 15. On the basis of such actuarial assumptions as the
19 board of trustees adopts, the actuary shall make annual
20 valuations of the assets and liabilities of the funds of the
21 retirement system.

22 [15.] 16. The rate of contribution payable by the employer
23 shall equal one and ninety-nine one-hundredths percent, effective
24 July 1, 1993; three and ninety-nine one-hundredths percent,
25 effective July 1, 1995; five and ninety-nine one-hundredths
26 percent, effective July 1, 1996; seven and one-half percent
27 effective January 1, 1999, and for all subsequent years.

28 17. In the event of a lapse of a school district's

1 corporate organization as described in subsections 1 and 4 of
2 section 162.081, RSMo, no retirement system, nor any of the
3 assets of any retirement system, shall be transferred to or
4 merged with another retirement system without prior approval of
5 such transfer or merge by the board of trustees of the retirement
6 system.

7 169.301. 1. Any active member who has completed five or
8 more years of actual (not purchased) creditable service shall be
9 entitled to a vested retirement benefit equal to the annual
10 service retirement allowance provided in sections 169.270 to
11 169.400 payable after attaining the minimum normal retirement age
12 and calculated in accordance with the law in effect on the last
13 date such person was a regular employee; provided, that such
14 member does not withdraw such person's accumulated contributions
15 pursuant to section 169.328 prior to attaining the minimum normal
16 retirement age.

17 2. Any member who elected on October 13, 1961, or within
18 thirty days thereafter, to continue to contribute and to receive
19 benefits under sections 169.270 to 169.400 may continue to be a
20 member of the retirement system under the terms and conditions of
21 the plan in effect immediately prior to October 13, 1961, or may,
22 upon written request to the board of trustees, transfer to the
23 present plan, provided that the member pays into the system any
24 additional contributions with interest the member would have
25 credited to the member's account if such person had been a member
26 of the current plan since its inception or, if the person's
27 contributions and interest are in excess of what the person would
28 have paid, such person will receive a refund of such excess. The

1 board of trustees shall adopt appropriate rules and regulations
2 governing the operation of the plan in effect immediately prior
3 to October 13, 1961.

4 3. Should a retirant again become an active member, such
5 person's retirement allowance payments shall cease during such
6 membership and shall be recalculated upon subsequent retirement
7 to include any creditable service earned during the person's
8 latest period of active membership in accordance with subsection
9 2 of section 169.324.

10 169.315. 1. The board of trustees shall adopt rules and
11 regulations which shall permit members to purchase creditable
12 service under the circumstances provided for in this section.
13 Such rules and regulations shall specify, for each such
14 designated circumstance:

15 (1) The manner in which the employee contributions required
16 to purchase such service shall be calculated;

17 (2) The manner in which any employer contributions required
18 for such service shall be calculated;

19 (3) The maximum amount of service that may be purchased, if
20 any;

21 (4) The time by which the election to purchase service
22 shall be made and the period over which such contributions shall
23 be paid; and

24 (5) Any other requirements the member must satisfy in order
25 to be eligible to purchase service in such circumstance.

26 All such rules and regulations shall be applied on a
27 uniform and nondiscriminatory basis so that all members are
28 treated similarly under similar circumstances.

1 2. Any active member who ceased to be a regular employee
2 and received a refund of contributions and interest attributable
3 to a prior period of service with [the district in which the
4 retirement system is established] any employer may, after
5 reemployment as a regular employee and prior to retirement, elect
6 to reinstate any creditable service the member forfeited by
7 purchasing such service in accordance with the rules and
8 regulations adopted by the board of trustees.

9 3. Any active member who has rendered service in a public
10 school district or public library within the state of Missouri
11 but outside of the district in which the retirement system is
12 established, or in a college, junior college or university within
13 the state of Missouri may elect to purchase and receive credit
14 for such service in accordance with the rules and regulations
15 adopted by the board of trustees.

16 4. Any active member who has rendered service in a public
17 school district, public library, college, junior college or
18 university outside the state of Missouri may elect to purchase
19 and receive credit for such service in accordance with the rules
20 and regulations adopted by the board of trustees; provided that,
21 such member shall pay to the retirement system, in addition to
22 all required employee contributions, the required amount of
23 employer contributions, plus interest, for each year of
24 creditable service being purchased.

25 5. Any active member who was, prior to becoming a member,
26 employed by a private school, college or university on a
27 full-time basis and duly certified under the law governing the
28 certification of teachers during all of such employment may elect

1 to purchase and receive credit for such private school service in
2 accordance with the rules and regulations adopted by the board of
3 trustees; provided that, such member shall pay to the retirement
4 system, in addition to all required employee contributions, the
5 required amount of employer contributions, plus interest, for
6 each year of creditable service being purchased. As used in this
7 section, the term "private school" means a school which is not a
8 part of the public school system of the state of Missouri and
9 which charges tuition for the rendering of elementary, secondary
10 educational or post-secondary educational services.

11 6. Any active member who, voluntarily or involuntarily,
12 enters service in the armed forces of the United States or other
13 national defense service may, after reemployment and prior to
14 retirement, elect to purchase and receive credit for such
15 military service in accordance with the rules and regulations
16 adopted by the board of trustees and with the laws governing the
17 reemployment rights of veterans.

18 7. Any active member who is granted a period of approved,
19 unpaid leave of absence by the employer's board for academic
20 study at a college, junior college, university or otherwise,
21 illness or such other circumstances as may be authorized by the
22 board of trustees, may elect to purchase and receive creditable
23 service for such period of leave in accordance with the rules and
24 regulations adopted by the board of trustees.

25 169.324. 1. The annual service retirement allowance
26 payable pursuant to section 169.320 in equal monthly installments
27 for life shall be the retirant's number of years of creditable
28 service multiplied by one and three-fourths percent of the

1 person's average final compensation, subject to a maximum of
2 sixty percent of the person's average final compensation. For any
3 member [retiring] who retires as an active member on or after
4 June 30, 1999, the annual service retirement allowance payable
5 pursuant to section 169.320 in equal monthly installments for
6 life shall be the retirant's number of years of creditable
7 service multiplied by two percent of the person's average final
8 compensation, subject to a maximum of sixty percent of the
9 person's average final compensation. Any member whose number of
10 years of creditable service is greater than thirty-four and
11 one-quarter on August 28, 1993, [that provides for the foregoing
12 formula for determining the annual service retirement allowance]
13 shall receive an annual service retirement allowance payable
14 pursuant to section 169.320 in equal monthly installments for
15 life equal to the retirant's number of years of creditable
16 service as of August 28, 1993, multiplied by one and
17 three-fourths percent of the person's average final compensation
18 but shall not receive a greater annual service retirement
19 allowance based on additional years of creditable service after
20 August 28, 1993[, that provides for the foregoing formula for
21 determining the annual service retirement allowance]. Provided,
22 however, that, effective January 1, 1996, any retiree who retired
23 on, before or after January 1, 1996, with at least twenty years
24 of creditable service shall receive at least three hundred
25 dollars each month as a retirement allowance, or the actuarial
26 equivalent thereof if the retiree elected any of the options
27 available under section 169.326. Provided, further, any retiree
28 who retired with at least ten years of creditable service shall

1 receive at least one hundred fifty dollars each month as a
2 retirement allowance, plus fifteen dollars for each additional
3 full year of creditable service greater than ten years but less
4 than twenty years (or the actuarial equivalent thereof if the
5 retiree elected any of the options available under section
6 169.326). Any beneficiary of a deceased retiree who retired with
7 at least ten years of creditable service and elected one of the
8 options available under section 169.326 shall also be entitled to
9 the actuarial equivalent of the minimum benefit provided by this
10 subsection, determined from the option chosen.

11 2. Except as otherwise provided in sections 169.580 and
12 169.585, [a retirant may not receive a retirement allowance
13 payment in] payment of a retirant's retirement allowance will be
14 suspended for any month for which such person receives
15 remuneration from the person's employer or from any other
16 employer in the retirement system established by section 169.280
17 for the performance of services except such person may serve as a
18 nonregular substitute, part-time or temporary employee for [not
19 to exceed five] nor more than six hundred [thirty] hours in any
20 school year without becoming a member and without having the
21 person's retirement allowance discontinued. If a retirant is
22 reemployed by any employer in any capacity, whether pursuant to
23 this section, section 169.580 or section 169.585 or as a regular
24 employee, the amount of such person's retirement allowance
25 attributable to service prior to the person's first retirement
26 date shall not be changed by the reemployment. If the person
27 again becomes an active member and earns additional creditable
28 service, upon the person's second retirement the person's

1 retirement allowance shall be the sum of:

2 (1) The retirement allowance the person was receiving at
3 the time the person's retirement allowance was suspended,
4 pursuant to the payment option elected as of the first retirement
5 date, plus the amount of any increase in such retirement
6 allowance the person would have received pursuant to subsection 3
7 of section 169.324 had payments not been suspended during the
8 person's reemployment; and

9 (2) An additional retirement allowance computed using the
10 benefit formula in effect on the person's second retirement date,
11 the person's creditable service following reemployment, and the
12 person's average annual compensation as of the second retirement
13 date.

14 The sum calculated pursuant to this subsection shall not exceed
15 the greater of sixty percent of the person's average final
16 compensation as of the second retirement date or the amount
17 determined pursuant to subdivision (1) of this subsection.

18 Compensation earned prior to the person's first retirement date
19 shall be considered in determining the person's average final
20 compensation as of the second retirement date if such
21 compensation would otherwise be included in determining the
22 person's average final compensation.

23 3. The board of trustees shall determine annually whether
24 the investment return on funds of the system can provide for an
25 increase in benefits for retirants eligible for such increase. A
26 retirant shall and will be eligible for an increase awarded
27 pursuant to this section as of the [fourth] second January
28 following the date the retirant commenced receiving retirement

1 benefits. Any such increase shall also apply to any monthly
2 joint and survivor retirement allowance payable to such
3 retirant's beneficiaries, regardless of age. The board shall
4 make such determination as follows:

5 (1) After determination by the actuary of the investment
6 return for the preceding year as of December thirty-first (the
7 "valuation year"), the actuary shall recommend to the board of
8 trustees what portion of the investment return is available to
9 provide such benefits increase, if any, and shall recommend the
10 amount of such benefits increase, if any, to be implemented as of
11 the first day of the thirteenth month following the end of the
12 valuation year, and the first payable on or about the first day
13 of the fourteenth month following the end of the valuation year.
14 The actuary shall make such recommendations so as not to affect
15 the financial soundness of the retirement system, recognizing the
16 following safeguards:

17 (a) The retirement system's funded ratio as of January
18 first of the year preceding the year of a proposed increase shall
19 be at least one hundred percent after adjusting for the effect of
20 the proposed increase. The funded ratio is the ratio of assets to
21 the pension benefit obligation;

22 (b) The actuarially required contribution rate, after
23 adjusting for the effect of the proposed increase, may not exceed
24 the statutory contribution rate;

25 (c) The actuary shall certify to the board of trustees that
26 the proposed increase will not impair the actuarial soundness of
27 the retirement system;

28 (d) A benefit increase, under this section, once awarded,

1 cannot be reduced in succeeding years;

2 (2) The board of trustees shall review the actuary's
3 recommendation and report and shall, in their discretion,
4 determine if any increase is prudent and, if so, shall determine
5 the amount of increase to be awarded.

6 4. This section does not guarantee an annual increase to
7 any retirant.

8 5. If an inactive member becomes an active member after
9 June 30, 2001, and after a break in service, unless the person
10 earns at least four additional years of creditable service
11 without another break in service, upon retirement the person's
12 retirement allowance shall be calculated separately for each
13 separate period of service ending in a break in service. The
14 retirement allowance shall be the sum of the separate retirement
15 allowances computed for each such period of service using the
16 benefit formula in effect, the person's average final
17 compensation as of the last day of such period of service and the
18 creditable service the person earned during such period of
19 service; provide, however, if the person earns at least four
20 additional years of creditable service without another break in
21 service, all of the person's creditable service prior to and
22 including such service shall be aggregated and, upon retirement,
23 the retirement allowance shall be computed using the benefit
24 formula in effect and the person's average final compensation as
25 of the last day of such period of four or more years and all of
26 the creditable service the person earned prior to and during such
27 period.

28 6. Notwithstanding anything contained in this section to

1 the contrary, the amount of the annual service retirement
2 allowance payable to any retirant pursuant to the provisions of
3 sections 169.270 to 169.400, including any adjustments made
4 pursuant to subsection 3 of this section, shall at all times
5 comply with the provisions and limitations of Section 415 of the
6 Internal Revenue Code of 1986, as amended, and the regulations
7 thereunder, the terms of which are specifically incorporated
8 herein by reference.

9 [6.] 7. All retirement systems established by the laws of
10 the state of Missouri shall develop a procurement action plan for
11 utilization of minority and women money managers, brokers and
12 investment counselors. Such retirement systems shall report
13 their progress annually to the joint committee on public employee
14 retirement and the governor's minority advocacy commission.

15 169.410. The following words and phrases as used in
16 sections 169.410 to 169.540, unless a different meaning is
17 plainly required by the context, shall have the following
18 meanings:

19 (1) "Accumulated contributions", the sum of all amounts
20 deducted from the compensation of a member and credited to the
21 member's individual account together with interest allowed on
22 such an account;

23 (2) "Actuarial equivalent", a benefit of equal value when
24 computed upon the basis of interest and such mortality tables as
25 shall be adopted by the board of trustees;

26 (3) "Average final compensation", the highest average
27 annual compensation of the member received for any three
28 consecutive years of credited service of the member's last ten

1 years of credited service or if the member has had less than
2 three years of such credited service, during the member's entire
3 period of credited service;

4 (4) "Beneficiary", any person other than a [retirant]
5 retired member receiving a [retirement allowance or] pension
6 benefit, optional [retirement allowance] pension benefit or other
7 benefit;

8 (5) "Board of education", the board of education or
9 corresponding board having charge of the public schools of the
10 school district other than those public schools which are
11 operated by the board of regents;

12 (6) "Board of regents", the board of regents or
13 corresponding board having charge of a public city teacher
14 training school within the school district which was operated by
15 its board of education prior to September 1, 1978;

16 (7) "Board of trustees", the board which administers the
17 retirement system;

18 (8) "Charter school", any charter school established
19 pursuant to sections 160.400 to 160.420, RSMo, and located, at
20 the time it is established, within the school district;

21 [(8)] (9) "Compensation", the regular compensation which a
22 member has earned as an employee during any period, excluding,
23 however, any compensation earned by a person who became a member
24 after December 31, 1995, which is in excess of the limitation set
25 forth in section 401(a)(17) of the Internal Revenue Code;

26 [(9)] (10) "Consumer price index", the Consumer Price
27 Index for All Urban Consumers for the United States, or its
28 successor index, as approved by the board of trustees, as such

1 index is defined and officially reported by the United States
2 Department of Labor, or its successor agency;

3 [(10) "Creditable"] (11) "Credited service", prior service
4 plus membership service plus service purchased pursuant to
5 applicable Missouri statute;

6 [(11)] (12) "Employee", any person regularly employed by
7 (a) the board of education, or (b) the board of trustees, or (c)
8 the board of regents who was employed at a public teacher
9 training school within the school district prior to September 1,
10 1978, and who did not become a member of the Missouri state
11 employees' retirement system pursuant to section 104.342, RSMo,
12 or (d) a charter school. In case of doubt as to whether any
13 person is an employee, the decision of the [employing] board of
14 education, or the board of trustees, or the board of regents
15 shall be final and conclusive;

16 (13) "Employer", the board of education, the board of
17 trustees, the board of regents or a charter school;

18 [(12)] (14) "Medical board", the board of physicians;

19 [(13)] (15) "Member", a member of the retirement system
20 defined as an:

21 (a) "Active member", a [member] person who is an employee;
22 [or]

23 (b) "Inactive member", a former active member who [is not
24 an employee;] has accumulated contributions with the retirement
25 system; or

26 (c) "Retired member", a former active member who has
27 retired and is receiving benefits;

28 [(14)] (16) "Membership service", service rendered [since

1 last becoming a member which is creditable] as an employee for
2 which the employee received compensation. For the purpose of
3 computing creditable service at retirement, membership service
4 shall include a member's accumulated and unused days of sick
5 leave. The decision of the employing board as to the number of
6 accumulated and unused days of sick leave held by a member shall
7 be final and conclusive;

8 (17) "Pension benefit" or "pension", monthly payments for
9 life to a retired member or to such beneficiary as is entitled to
10 the payments;

11 [(15)] (18) "Prior service", service prior to the date the
12 system [becomes] became operative which is [creditable] credited;

13 [(16)] (19) "Public school", any school for elementary,
14 secondary or higher education, open and public, which is
15 supported and maintained from public funds and which is operated
16 by the board of education of the school district [or], by the
17 board of regents, or as a charter school as defined pursuant to
18 sections 160.400 to 160.420, RSMo;

19 [(17) "Retirant" or] (20) "Retired member", a [former]
20 member receiving a retirement [allowance] benefit or [optional
21 retirement allowance or] other benefit;

22 [(18) "Retirement allowance", equal monthly payments for
23 life to a retirant or to such beneficiary as is entitled to the
24 payments;

25 (19)] (21) "Retirement system", the public school
26 retirement [school] system of a school district;

27 [(20)] (22) "School administrator", an employee whose job
28 classification is included on the school administrators' position

1 schedule of the employing board;

2 [(21)] (23) "School district", any metropolitan school
3 district [now having or hereafter attaining a population of seven
4 hundred thousand inhabitants or more in which a retirement system
5 shall be established] as defined pursuant to section 160.011,
6 RSMo;

7 [(22)] (24) "Teacher", any teacher, substitute teacher,
8 supervisor, principal, supervising principal, superintendent or
9 assistant superintendent, who shall teach or be employed on a
10 full-time basis in the public schools of a school district or
11 charter school, except those teachers electing to become [a
12 member] members of the Missouri state employees' retirement
13 system pursuant to section 104.342, RSMo. In case of doubt as to
14 whether any person is a teacher, the decision of the board of
15 education, or the board of regents with respect to individuals
16 within its charge, shall be final and conclusive.

17 169.420. In all metropolitan school districts of this state
18 [that now have or may hereafter attain a population of seven
19 hundred thousand inhabitants or more], there are hereby created
20 and established retirement systems for the purpose of providing
21 retirement [allowances] benefits for employees of said school
22 districts. Each such system shall be a body corporate, and shall
23 be under the management of a board of trustees herein described,
24 and shall be known as "The Public School Retirement System of
25 (name of school district)". Such system shall, by and
26 in such name, sue and be sued, transact all of its business,
27 invest all of its funds and hold all of its cash, securities and
28 other property; provided, however, that such securities and other

1 property may be held on behalf of the retirement system in the
2 name of a nominee in order to facilitate the expeditious transfer
3 of such securities or other property. [The retirement systems so
4 created shall begin operations as of the first day of the second
5 month next following the date upon which this law shall take
6 effect under article III, section 29, of the Constitution of the
7 state of Missouri or on the first day of the second month next
8 following the date when the school districts shall have
9 thereafter attained a population of seven hundred thousand
10 inhabitants or more.]

11 169.430. [1.] All persons who shall hereafter become
12 employees, shall become members as a condition of their
13 employment and shall receive no pension or retirement [allowance]
14 benefit from any pension or retirement system other than the
15 retirement system established [under] pursuant to sections
16 169.410 to 169.540 because of credited years of service in the
17 school district, nor shall they be required to make contributions
18 under any other pension or retirement system of any school
19 district or state because of such years, except that this section
20 does not prohibit the extension of the benefits and liabilities
21 of Title II of the Social Security Act of the United States (42
22 U.S.C.A. Section 401 et seq.) to the employees of the school
23 district for the purpose of supplementing the benefits provided
24 by this law, through agreement by the district and the state
25 pursuant to sections 105.300 to 105.440, RSMo.

26 [2. Any employee in service on the date the retirement
27 system becomes operative shall become a member as of that date
28 unless prior thereto he shall file with the board of trustees on

1 a form prescribed by the board of trustees a notice of his
2 election not to become a member of the retirement system and a
3 duly executed waiver of all present and prospective benefits
4 which would otherwise inure to him on account of his
5 participation in the retirement system.

6 3. Should any member with less than five years of
7 creditable service not be an employee for more than four
8 consecutive years or should any member withdraw his accumulated
9 contributions, or should any member become a retirant or die, he
10 shall thereupon cease to be a member.]

11 169.440. 1. [The board of trustees shall fix and determine
12 by proper rules and regulations how much service in any year is
13 equivalent to one year of service, but in no case shall more than
14 one year of service be creditable for all service in one calendar
15 year. Notwithstanding any other provisions of this subsection,]
16 In no case shall more than one year of service be credited for
17 all service in one calendar year.

18 2. The board of trustees shall include an employee's
19 accumulated and unused days of sick leave, if any, in computing
20 the employee's [creditable] credited service upon the employee's
21 retirement.

22 [2. Under such rules and regulations as the board of
23 trustees shall adopt, each employee who was employed by the
24 school district on and prior to the date this retirement system
25 becomes operative and who becomes a member within one year from
26 such date, shall file a detailed statement of all service as such
27 employee rendered by the member to the school district prior to
28 that date and prior to the member's attainment of age sixty-five,

1 for which the member claims credit; provided, however, that
2 teachers may, in addition, claim credit in such statement for not
3 more than ten years of service rendered in public schools outside
4 the school district. Any member with service prior to January 1,
5 1944, who became a member after January 1, 1945, may file claim
6 for prior service up to a maximum of twelve years provided the
7 member has a minimum of five continuous years of membership
8 service and a total membership service of not less than the years
9 of prior service being claimed.

10 3. Subject to the above restrictions and to such other
11 rules and regulations as the board of trustees may adopt, the
12 board of trustees shall verify the service claims as soon as
13 practicable after the filing of such statements of service.

14 4. Upon verification of the statements of service, the
15 board of trustees shall issue prior service certificates,
16 certifying to each member the length of prior service with which
17 the member is credited on the basis of the member's statement of
18 service. So long as the holder of such a certificate continues
19 to be a member, a prior service certificate shall be final and
20 conclusive for retirement purposes as to such service; provided,
21 however, that any member may, within one year from the date of
22 issuance, or modification, of such certificate, request the board
23 of trustees to modify or correct the member's prior service
24 certificate. When any employee ceases to be a member the
25 employee's prior service certificate shall become void, and
26 should such employee again become a member such employee shall
27 enter the retirement system as a member not entitled to prior
28 service and membership service credit. After the member has five

1 years of continuous membership service since last date of
2 reemployment and provided the member could not under the
3 applicable law at date of the member's termination have left such
4 member's accumulated contributions for accrued deferred
5 retirement benefits, the member may reinstate the member's
6 creditable service as of such date by paying to the system the
7 accumulated contributions the member withdrew with interest to
8 the date of repayment.

9 5. Membership service at retirement shall include
10 creditable service as an employee, on account of which
11 contributions are made by the employing board and by the member
12 except as to creditable military service and accumulated and
13 unused days of sick leave.

14 6. Creditable service upon retirement of a member, or upon
15 such other date as a member shall cease to be an employee shall
16 consist of membership service, and if the member has a prior
17 service certificate in full force and effect it shall include
18 service certified on the member's prior service certificate,
19 except that in determining the amount of any benefits pursuant to
20 sections 169.410 to 169.585 the years of prior service creditable
21 shall not exceed the number of years which, when added to the
22 membership service of the member, equals thirty-five years.

23 7.] 3. Any member inducted into the armed forces of the
24 United States while an employee, and discharged or separated from
25 such service by other than dishonorable discharge, shall be
26 credited with such period or periods of time, not exceeding a
27 total of four years, spent in such service during time of war or
28 national emergency, and any additional period or periods of

1 involuntary service as if such member had been for all effects
2 and purposes in active service as an employee during such period
3 or periods of time. Periods of national emergency, as that term
4 is used in this section, shall be prescribed by rule of the board
5 of trustees, giving due regard to the acts and resolutions of
6 Congress and the proclamations and orders of the President.

7 [8. Any employee whose membership was terminated during the
8 years 1944 to 1947, inclusive, pursuant to a rule of the board of
9 education prohibiting the employment of married women teachers
10 and who was reemployed on or before January 1, 1950, and is a
11 member as of October 13, 1969, may reinstate the creditable
12 service forfeited by the termination and acquire credit as
13 membership service for service rendered subsequent to the
14 termination. In order to obtain such credit, the member must pay
15 the unpaid accumulated contributions for the approved years of
16 membership service to be credited together with any contributions
17 which have been refunded to the member plus interest from the
18 date of the refund or from the date of membership service to the
19 date of repayment as provided herein. No prior service may be
20 reinstated or other service credited unless full payment is made
21 for contributions for all possible service which is classified as
22 membership service.

23 9.] 4. Any member who is granted a leave of absence with
24 reduced pay may authorize deduction of contributions based on
25 full compensation, the same as if not on leave, and in such case
26 the full compensation shall be used as annual compensation in
27 determining the final average compensation for calculation of
28 benefits.

1 [10. Any employee who rendered service which at the time
2 was not classified as membership service nor were contributions
3 paid but which would be classified as membership service under
4 later law and regulations may receive credit for such service by
5 paying the required contributions for such period of service with
6 interest to date.

7 11.] 5. A member [who has rendered service in a public
8 school district in the state of Missouri, or outside the state of
9 Missouri,] may elect to purchase and receive credit for [such]
10 service in accordance with the following conditions and
11 limitations:

12 (1) The member must have a minimum of five years of
13 continuous [creditable] credited membership service in this
14 retirement system prior to the member's election to purchase;

15 (2) [Service to be credited must be service for which the
16 member did not and could not receive accrued benefits by leaving
17 contributions with any other retirement system under the
18 applicable law in effect at the termination of such service;

19 (3)] The member must have one year of [creditable] credited
20 service in this retirement system for each year to be credited;

21 [(4) The maximum period of service which can be credited
22 pursuant to this subsection is ten years;]

23 (3) The member must purchase the entire amount of credited
24 service the member is eligible to purchase in a given category;

25 (4) Eligible categories of credited service that can be
26 purchased are:

27 (a) Service rendered in a public school district in the
28 state of Missouri, or outside the state of Missouri;

1 (b) Service as an employee which at the time was not
2 classified as membership service nor were contributions paid but
3 which would be classified as membership service under later law
4 and regulations;

5 (c) The period during which an employee's membership was
6 terminated during the years 1944 to 1947, inclusive, pursuant to
7 a rule of the board of education prohibiting the employment of
8 married women teachers, provided the member was re-employed on or
9 before January 1, 1950, and was a member as of October 13, 1969;

10 (d) A period of up to five years during which a member was
11 involuntarily laid off in a staff reduction by the board of
12 education after 1980, provided the member was restored to full-
13 time employment and the member did not receive a refund of the
14 member's accumulated contributions for credited service rendered
15 prior to the layoff;

16 (e) Service for which the member received a refund of the
17 member's accumulated contributions;

18 (f) Up to three years of service rendered in a school,
19 which is not part of the public school system of this state and
20 which charged tuition for the rendering of elementary and
21 secondary educational services, as a full-time employee who was
22 duly certified under the law governing the certification of
23 teachers during all of such years of employment;

24 (5) The member must pay for the purchase of service [after
25 January 1, 1944, the total amount of member's contributions for
26 such years being purchased plus interest at the rates fixed by
27 the board of trustees with the contributions based on the
28 compensation at which the member initially was employed in this

1 school district and the contribution rates then in effect;

2 (6) If all service after January 1, 1944, for which a
3 member is eligible has been purchased and it is less than ten
4 years, the member may apply for credit for service prior to
5 January 1, 1944, provided the total credit does not exceed ten
6 years, subject to applicable conditions and limitations in this
7 subsection, but no payment shall be required;] the amount
8 required by the rules and regulations established by the board of
9 trustees of the retirement system;

10 (6) The retirement system may accept a transfer of funds
11 from a plan qualified under sections 401(a) or 403(b) of the
12 Internal Revenue Code in full or partial payment of the amount
13 required to purchase the credited service;

14 (7) A member shall receive credit at retirement for only
15 such service as has met the conditions of this subsection. If
16 the member has paid for any service which has not been credited,
17 the member shall receive a refund of the excess payment. If the
18 member has not completed such member's payment at time of
19 retirement, the first benefits from the retirement system shall
20 be applied to pay the balance of the amount due and thereafter
21 the full benefits shall be payable[; and

22 (8) Any credit granted for service outside the school
23 district prior to January 1, 1944, pursuant to subsection 2 of
24 this section shall be included in determining whether any
25 additional credit may be obtained pursuant to this subsection.

26 12. An active member who is involuntarily laid off in a
27 staff reduction by the board of education or board of regents
28 after 1980 may, if the member is restored to full-time

1 employment, elect to purchase and receive credit for service
2 retirement for the period of such layoff in accordance with the
3 following conditions and limitations:

4 (1) The member shall be an employee with a minimum of five
5 years of continuous creditable membership service in this
6 retirement system prior to the time the member elects to purchase
7 service for the period of such layoff;

8 (2) The member shall not have been paid the member's
9 accumulated contribution credited to the member's individual
10 account after such layoff;

11 (3) The maximum period of creditable service which may be
12 credited pursuant to this subsection is five years;

13 (4) The member shall pay for the purchase of creditable
14 service the total cost of such service as determined by the board
15 of trustees based on accepted actuarial methods using the same
16 assumptions used by the retirement system at the time of such
17 election. Such cost shall include both the employee's and the
18 system's share of the cost of such credited service;

19 (5) The member shall make payment in full for the purchase
20 of creditable service pursuant to this subsection over a period
21 not to exceed five years, measured from the date of election, or
22 prior to the effective date of retirement of the member,
23 whichever is earlier, and with interest compounded annually at
24 the rate established by the board of trustees.

25 13. Notwithstanding any other provision of sections 169.410
26 to 169.540 to the contrary, any member with five or more years of
27 creditable service who ceased to be an employee, who has received
28 a refund of such member's accumulated contributions pursuant to

1 subsection 9 of section 169.460, who again becomes a member of
2 the retirement system, may elect to reinstate any creditable
3 service forfeited at time or times of any previous refunds. Such
4 reinstatement shall be effected by the member paying to the
5 retirement system with interest the amount of accumulated
6 contributions refunded to the member on or after the time such
7 member ceased to be an employee, and by continuous employment in
8 the district for at least an additional seven years of creditable
9 service before such member retires. Such payment with interest
10 shall be made over a period of not longer than five years from
11 the date of such member's election to reinstate creditable
12 service, provided that such payment shall in all events be made
13 prior to the retirement of such member. The member electing to
14 reinstate such creditable service may not receive or be eligible
15 to receive retirement benefits from any other retirement system
16 for the period for which creditable service is being reinstated,
17 and such member shall furnish an affidavit to the retirement
18 system so stating].

19 169.450. 1. The general administration and responsibility
20 for the proper operation of the retirement system and for making
21 effective the provisions of sections 169.410 to 169.540 are
22 hereby vested in a board of trustees of eleven persons, as
23 follows:

24 (1) Four trustees to be appointed for terms of four years
25 by the board of education; provided, however, that their terms
26 shall be fixed so the terms of one of the trustees so appointed
27 shall expire each year. The members of such board of trustees
28 appointed by the board of education may be members of the board

1 of education or other individuals deemed qualified to hold such
2 positions by the board of education;

3 (2) Four trustees to be elected for terms of four years by
4 and from the active members of the retirement system who shall
5 hold office as trustees only while active members; provided,
6 however, that their terms shall be fixed so that the terms of one
7 of the trustees so elected shall expire each year; and provided
8 further, that not more than two of such persons shall be teachers
9 and two shall be nonteachers. For the purposes of this
10 subsection, a school administrator shall not be eligible for the
11 positions established pursuant to this subdivision and shall be
12 eligible for the position established pursuant to subdivision (4)
13 of this subsection;

14 (3) Two trustees, who shall be ~~[retirants]~~ retired members,
15 to be elected for terms of four years by and from the ~~[retirants]~~
16 retired members of the retirement system; provided, however, that
17 the terms of office of the first two trustees so elected shall
18 begin immediately upon their election and shall expire two and
19 four years from the date of their election, respectively; and
20 provided further, that not more than one of such persons shall be
21 a teacher and one shall be a nonteacher;

22 (4) One member, who shall be a school administrator, to be
23 elected for a term of four years by and from the active members
24 of the retirement system who shall hold office as a trustee only
25 while an active member; except that, the initial term of office
26 of such trustee shall expire on December 31, 1999.

27 2. If a vacancy occurs in the office of trustee, the
28 vacancy shall be filled for the unexpired term in the same manner

1 as the office was previously filled. No vacancy or vacancies on
2 the board of trustees shall impair the power of the remaining
3 trustees to administer the retirement system pending the filling
4 of such vacancies.

5 3. [The members of such board of trustees appointed by the
6 board of education may be members of the board of education or
7 other individuals deemed qualified to hold such positions by the
8 board of education. The] In the event of a lapse of a school
9 district's corporate organization as described in subsections 1
10 and 4 of section 162.081, RSMo, or for any other reason, the
11 general administration and the responsibility for the proper
12 operation of the retirement system shall continue to be fully
13 vested in the trustees then currently serving and such trustees
14 shall continue to serve and be elected in the same manner as set
15 forth in this statute as if no lapse had occurred, except that in
16 the event of vacancies occurring in the office of trustees
17 appointed by the board of education prior to the lapse, the board
18 of trustees shall appoint a qualified person or persons to fill
19 such vacancy or vacancies for terms of up to four years.

20 4. Trustees shall serve without compensation, and any
21 trustee shall be reimbursed from the expense fund for all
22 necessary expenses which the trustee may incur through service on
23 the board of trustees.

24 [4.] 5. Each trustee shall, within ten days after such
25 trustee's appointment or election, take an oath of office before
26 the clerk of the circuit court of the judicial circuit in which
27 the school district is located that, so far as it devolves upon
28 the trustee, the trustee will diligently and honestly administer

1 the affairs of the board of trustees and that the trustee will
2 not knowingly violate or willingly permit to be violated any of
3 the provisions of the law applicable to the retirement system.
4 Such oath shall be subscribed to by the trustee making it and
5 filed in the office of the clerk of the circuit court.

6 [5.] 6. The circuit court of the judicial circuit in which
7 the school district is located shall have jurisdiction over the
8 members of the board of trustees to require them to account for
9 their official conduct in the management and disposition of the
10 funds and property committed to their charge; to order, decree
11 and compel payment by them to the public school retirement system
12 of their school district of all sums of money, and of the value
13 of all property which may have been improperly retained by them,
14 or transferred to others, or which may have been lost or wasted
15 by any violation of their duties or abuse of their powers as such
16 members of such board; to remove any such member upon proof that
17 the trustee has abused the trustee's trust or has violated the
18 duties of the trustee's office; to restrain and prevent any
19 alienation or disposition of property of such public school
20 retirement system by the members, in cases where it may be
21 threatened, or there is good reason to apprehend that it is
22 intended to be made in fraud of the rights and interests of such
23 public school retirement system. The jurisdiction conferred by
24 sections 169.410 to 169.540 shall be exercised as in ordinary
25 cases upon petition, filed by the board of education of such
26 school district, or by any two members of the board of trustees.
27 Such petition shall be heard in a summary manner after ten days'
28 notice in writing to the member complained of, and an appeal

1 shall lie from the judgment of the circuit court as in other
2 causes and be speedily determined, but such appeal shall not
3 operate under any condition as a supersedeas of a judgment of
4 removal from office.

5 [6.] 7. Each trustee shall be entitled to one vote in the
6 board of trustees. Six votes shall be necessary for a decision
7 by the trustees at any meeting of the board of trustees.

8 [7.] 8. Subject to the limitations of sections 169.410 to
9 169.540, the board of trustees shall, from time to time,
10 establish rules and regulations for the administration of the
11 [assets of the] retirement system, for eligibility for and
12 determination of benefits under the retirement system, for the
13 investment of retirement system assets, and for the transaction
14 of [its] the retirement system's business.

15 [8.] 9. The board of trustees shall elect from its
16 membership a chairman and shall, by majority vote of its members,
17 appoint a secretary, who may be, but need not be, one of its
18 members. It shall engage such actuarial and other services as
19 shall be required to transact the business of the retirement
20 system. It shall also engage an investment counselor who shall
21 be experienced in the investment of moneys to advise the trustees
22 on investments of the retirement system. The compensation of all
23 persons engaged by the board of trustees and all other expenses
24 of the board necessary for the operation of the retirement system
25 shall be paid at such rates and in such amounts as the board of
26 trustees shall approve.

27 [9.] 10. The board of trustees shall keep in convenient
28 form such data as shall be necessary for actuarial valuations of

1 the assets of the retirement system and for checking the
2 experience of the system.

3 [10.] 11. The board of trustees shall keep a record of all
4 its proceedings which shall be open to public inspection. It
5 shall prepare annually and send to the board of education and to
6 each member of the retirement system a report showing the fiscal
7 transactions of the retirement system for the preceding fiscal
8 year, a detailed listing of all salaries and expenditures
9 incurred by the trustees for its operation, the amount of the
10 accumulated cash and securities of the system, and the last
11 balance sheet showing the financial condition of the system by
12 means of an actuarial valuation of the assets and liabilities of
13 the retirement system. The board of trustees shall also prepare
14 or cause to be prepared an annual report concerning the operation
15 of the retirement system herein provided for, which report shall
16 be sent by the chairman of the board of trustees to the board of
17 education.

18 [11.] 12. The board of trustees shall arrange for
19 necessary legal advice for the operation of the retirement
20 system.

21 [12.] 13. The board of trustees shall designate a medical
22 board to be composed of three physicians, none of whom shall be
23 eligible for benefits pursuant to sections 169.410 to 169.540,
24 who shall arrange for and pass upon all medical examinations
25 required pursuant to the provisions of sections 169.410 to
26 169.540, shall investigate all essential statements and
27 certificates made by or on behalf of a member in connection with
28 an application for disability retirement and shall report in

1 writing to the board of trustees its conclusions and
2 recommendations upon all matters referred to it.

3 [13.] 14. The actuary shall be the technical adviser of
4 the board of trustees on matters regarding the operation of the
5 system created by sections 169.410 to 169.540 and shall perform
6 such other duties as are required in connection therewith. Such
7 person shall be qualified as an actuary by membership as a fellow
8 in the Society of Actuaries or by [similar] objective standards
9 which are no less stringent than those established by the Society
10 of Actuaries.

11 [14.] 15. At least once in each five-year period the
12 actuary shall make an investigation into the actuarial experience
13 of the retirement system, and taking into account the results of
14 such investigation of the experience, the board of trustees shall
15 adopt for the retirement system such actuarial assumptions as
16 shall be deemed necessary.

17 [15.] 16. On the basis of such actuarial assumptions as
18 the board of trustees shall adopt, the actuary shall make an
19 annual valuation of the assets and liabilities of the funds of
20 the retirement system.

21 [16.] 17. On the basis of the valuation the board of
22 trustees shall certify the rates of contribution payable by the
23 board of education.

24 169.460. 1. Any member may retire [on a service retirement
25 allowance] and receive a normal pension upon his written
26 application to the board of trustees setting forth at what time
27 not less than fifteen days nor more than [ninety] one hundred
28 eighty days subsequent to the execution and filing of such

1 application he desires to be retired; provided, that the member
2 at the time so specified for his retirement either (a) shall have
3 attained age sixty-five or (b) shall have attained an age which
4 when added to the number of years of [creditable] credited
5 service of such member shall total a sum not less than
6 eighty-five. For purposes of computing any member's age under
7 this section, the board shall, if necessary, add to his actual
8 age any accumulated and unused days of sick leave included in his
9 [creditable] credited service.

10 2. Upon retirement [for service under] pursuant to
11 subsection 1 of this section, a member shall receive an annual
12 [service retirement allowance] pension payable in monthly
13 [service] installments equal to his number of years of
14 [creditable] credited service multiplied by [one and one-fourth]
15 two percent of his average final compensation subject to a
16 maximum pension of sixty percent of his average final
17 compensation.

18 3. A member who is not eligible for [service retirement
19 under] normal pension pursuant to subsection 1 of this section
20 but who has attained age sixty and has five or more years of
21 [creditable] credited service may make application in the same
22 manner as [under] pursuant to subsection 1 of this section for an
23 early [service retirement allowance which shall be a percentage
24 of his projected annual service retirement allowance. His
25 projected annual service retirement allowance shall equal his
26 number of years of creditable service multiplied by one and
27 one-fourth percent of his average final compensation. The
28 percentage of his projected annual service retirement allowance

1 shall be computed by deducting from one hundred percent a sum
2 equal to] pension. His early pension shall be computed pursuant
3 to subsection 2 of this section, but shall be reduced by
4 five-ninths of one percent for each month such member's early
5 retirement date precedes the earliest date he could [receive a
6 service retirement allowance under] have received a normal
7 pension pursuant to subsection 1 of this section had his service
8 continued.

9 4. Upon the written application of the member or of the
10 employing board, any active member who has [had] five or more
11 years of [creditable] credited service with such board and does
12 not qualify for [service retirement under] a normal pension
13 pursuant to subsection 1 of this section may be retired by the
14 board of trustees, not less than fifteen days and not more than
15 [ninety] one hundred eighty days next following the date of
16 filing such application, [on an ordinary disability retirement
17 allowance;] and receive a disability pension, provided, that the
18 medical board after a medical examination of such member or such
19 member's medical records shall certify that such member is unable
20 to further perform his duties due to mental or physical
21 incapacity, and that such incapacity is likely to be permanent
22 and that such member should be retired; or, provided the member
23 furnishes evidence of the receipt of disability benefits under
24 the federal Old Age, Survivors and Disability Insurance System of
25 the Social Security Act. The determination of the board of
26 trustees in the matter shall be final and conclusive. A
27 [disability retirant] member being retired pursuant to this
28 subsection who has accumulated unused vacation and sick leave may

1 elect to have the commencement of his disability [retirement
2 allowance] pension deferred for more than [ninety] one hundred
3 eighty days during the period he is entitled to vacation and sick
4 pay.

5 5. Upon retirement for disability, a member shall receive a
6 disability [retirement allowance which] pension until such time
7 as he meets the requirements for a normal pension pursuant to
8 subsection 1 of this section, at which time his disability
9 pension will be deemed to be a normal pension. The member's
10 disability pension shall be the larger of:

11 (1) A [service retirement allowance] normal pension based
12 on his [creditable] credited service to the date of his
13 retirement for disability [retirement] and calculated as if he
14 were age sixty-five; or

15 (2) One-fourth of his average final compensation;
16 except that such [allowance] benefit shall not exceed the
17 [service retirement allowance] normal pension which he would
18 [receive] have received upon retirement [had] if his service had
19 continued and he had satisfied the eligibility requirements of
20 subsection 1 of this section and had his final average
21 compensation been unchanged.

22 6. Once each year during the first five years following
23 retirement [on a] for disability [retirement allowance] and once
24 in every three-year period thereafter while receiving a
25 disability pension, the board of trustees may, and shall, require
26 any [disability beneficiary] member receiving a disability
27 pension who has not yet become eligible for [service retirement]
28 a normal pension pursuant to subsection 1 of this section to

1 undergo a medical examination at a place designated by the
2 medical board or by a physician or physicians designated by such
3 board. [Should] If any such [disability beneficiary refuse]
4 member receiving a disability pension refuses to submit to such
5 medical examination, his [allowance] benefit may be discontinued
6 until his withdrawal of such refusal, and [should] if his refusal
7 [continue] continues for one year, all rights in and to his
8 pension may be revoked by the board of trustees.

9 7. [Should] If the board of trustees [find] finds that any
10 [disability retirant] member receiving a disability pension is
11 engaged in or is able to engage in a gainful occupation paying
12 more than the difference between his [retirement allowance]
13 disability pension plus benefits, if any, to which he and his
14 family are eligible under the federal Old Age, Survivors and
15 Disability Insurance System of the Social Security Act and the
16 current rate of monthly compensation for the position he held at
17 retirement, then the amount of his [retirement allowance]
18 disability pension shall be reduced to an amount which together
19 with the amount earnable by him shall equal such current rate of
20 monthly compensation. [Further adjustments in the disability
21 retirement allowance because of earnings changes shall be made by
22 the board of trustees.] The decisions of the board of trustees
23 in regard to such modification of disability [allowance] benefits
24 shall be final and conclusive.

25 8. [Should] If any [disability retirant be] member
26 receiving a disability pension is restored to service as an
27 employee, he shall again become [a] an active member of the
28 retirement system and contribute thereunder. [If he is under age

1 sixty at date of again becoming a member, his creditable] His
2 credited service at the time of his retirement for disability
3 shall be restored [to full force and effect,] and the excess of
4 his accumulated contributions at his retirement for disability
5 over the total disability pension payments which he received
6 [during retirement] shall be credited to his account. [If he is
7 age sixty or over, his disability retirement allowance shall
8 cease and be resumed upon subsequent retirement, together with
9 such retirement allowance as shall accrue by reason of his latest
10 period of membership.]

11 9. If a member with fewer than five years credited service
12 ceases to be an employee, except by death, he shall be paid the
13 amount of his accumulated contributions in accordance with
14 applicable provisions of the Internal Revenue Code.

15 [9. Should] 10. If a member [cease] with five years or
16 more credited service ceases to be an employee, except by death
17 or retirement, he shall be paid on demand the amount of his
18 accumulated contributions [standing to the credit of his
19 individual account, provided that a member with five or more
20 years of creditable service may leave], or he may leave his
21 accumulated contributions with the retirement system and be an
22 inactive member and claim a retirement [allowance] benefit at any
23 time after he reaches the minimum age for [voluntary] retirement,
24 except that if such a member's accumulated contributions do not
25 exceed the involuntary distribution limits under provisions of
26 the Internal Revenue Code, the member must elect to become an
27 inactive member within thirty days of employment separation to
28 avoid application of the involuntary distribution provisions of

1 the Internal Revenue Code. When [his claim is presented] an
2 inactive member presents his valid claim to the board of
3 trustees, he shall be granted [an allowance] a benefit at such
4 time and for such amount as is available [under] pursuant to
5 subsection 2 or 3 of this section in accordance with the
6 provisions of law in effect at the time his active membership
7 ceased. The accumulated contributions of an inactive member may
8 be withdrawn at any time upon ninety days' notice or such shorter
9 notice as is approved by the board of trustees. [Should a] If an
10 inactive member [die] dies before retirement, his accumulated
11 contributions shall be paid to his designated beneficiary, if
12 living, otherwise to the estate of the member. A member's
13 accumulated contributions shall not be paid to him so long as he
14 remains in service as an employee.

15 [10.] 11. Any member upon retirement shall receive his
16 [benefit in a retirement allowance] pension payable throughout
17 life subject to the provision that if his death occurs before he
18 has received total benefits at least as large as his accumulated
19 contributions at retirement, the difference shall be paid in one
20 sum to his designated beneficiary, if living, otherwise to the
21 estate of the retired member.

22 [11.] 12. Prior to the date of retirement [under] pursuant
23 to subsection 2, 3, or 4 of this section, a member may elect to
24 receive the actuarial equivalent [at that time] of his
25 [retirement allowance] pension in a lesser [retirement allowance]
26 amount, payable throughout life under one of the following
27 options with the provision that:

28 Option 1. Upon his death, his [retirement allowance]

1 pension shall be continued throughout the life of and paid to his
2 beneficiary, or

3 Option 2. Upon his death, one-half of his [retirement
4 allowance] pension shall be continued throughout the life of and
5 paid to his beneficiary, or

6 Option 3. Upon his death, his [retirement allowance]
7 pension shall be continued throughout the life of and paid to his
8 beneficiary, provided that in the event his designated
9 beneficiary predeceases him, then his [retirement allowance]
10 pension shall be adjusted [at that time] effective the first day
11 of the month following the month in which his designated
12 beneficiary died to the amount determined [under] pursuant to
13 subsection 2 or 3 of this section at the time of his retirement,
14 or

15 Option 4. Upon his death, one-half of his [retirement
16 allowance] pension shall be continued throughout the life of and
17 paid to his beneficiary, provided that in the event his
18 designated beneficiary predeceases him, then his [retirement
19 allowance] pension shall be adjusted [at that time] effective the
20 first day of the month following the month in which his
21 designated beneficiary died to the amount determined [under]
22 pursuant to subsection 2 or 3 of this section at the time of his
23 retirement.

24 Option 5. Prior to age sixty-two the member will receive an
25 increased pension, where the total pension prior to age sixty-two
26 is approximately equal to the pension after age sixty-two plus
27 the member's estimated federal Social Security benefit, provided
28 that the reduced pension after age sixty-two is not less than

1 one-half the pension the member could have received had no option
2 been elected.

3 A member may elect a combination of Option 1 and Option 5, or
4 Option 2 and Option 5. The survivor benefits payable to a
5 beneficiary, other than the spouse of the [retirant] retired
6 member, under any of the foregoing options shall in no event
7 exceed fifty percent of the actuarial equivalent of the
8 [retirement allowance] pension determined [under] pursuant to
9 subsection 2 or 3 of this section at the time of retirement.
10 [The actuarial equivalent of a member's retirement allowance
11 shall be computed as of the earlier of his actual retirement or
12 the date he became eligible for service retirement under
13 subsection 1 of this section.]

14 [12.] 13. If an option has been elected [under] pursuant
15 to subsection [11] 12 of this section, and both the retired
16 member and beneficiary die before receiving total benefits as
17 large as the member's accumulated contributions at retirement,
18 the difference shall be paid to [a] the designated beneficiary of
19 the person last entitled to benefits, if living, otherwise to the
20 estate of the person last entitled to benefits.

21 [13.] 14. If an active member dies while an employee and
22 with five or more years of [creditable] credited service and a
23 dependent of the member is designated as beneficiary to receive
24 his accumulated contributions, such beneficiary may, in lieu
25 thereof, request that benefits be paid under option 1, subsection
26 [11] 12 of this section, as if the member had attained age sixty,
27 if the member was less than sixty years of age at the time of his
28 death, and had retired under such option as of the date of death,

1 provided that under the same circumstances a member may provide
2 by written designation that benefits must be paid [under]
3 pursuant to option 1 to such beneficiary. In addition to
4 benefits received under option 1, subsection [11] 12 of this
5 section, a surviving spouse receiving benefits under this
6 subsection shall receive sixty dollars per month for each
7 unmarried dependent child of the deceased member who is under
8 twenty-two years of age and is in the care of the surviving
9 spouse; provided, that if there are more than three such
10 unmarried dependent children one hundred eighty dollars shall be
11 divided equally among them. A "dependent beneficiary" for the
12 purpose of this subsection only shall mean either the surviving
13 spouse or a person who at the time of the death of the member was
14 receiving at least one-half of his support from the member, and
15 the determination of the board of trustees as to whether a person
16 is a dependent shall be final.

17 [14. If the board of trustees is unable to refund the
18 contributions of a member or to commence payment of benefits
19 after such refund or benefits are otherwise first due and payable
20 and thereafter, proper application is made for such refund or
21 benefits, the board will make payment of such refund or benefits
22 but no credit will be allowed for interest after the date the
23 refund or benefits were first due and payable.]

24 15. In lieu of accepting the payment of the accumulated
25 contributions of a member who dies after having at least eighteen
26 months of [creditable] credited service and while an employee, an
27 eligible beneficiary or, if no surviving eligible beneficiary,
28 the unmarried dependent children of the member under twenty-two

1 years of age may elect to receive the benefits [under] pursuant
2 to subdivision (1), (2), (3), or (4) of this subsection. An
3 "eligible beneficiary" is the surviving spouse, unmarried
4 dependent children under twenty-two years of age or dependent
5 parents of the member, if designated as beneficiary. A
6 "dependent" is one receiving at least one-half of his support
7 from the member at his death.

8 (1) A surviving spouse who is sixty-two years of age at the
9 death of the member or upon becoming such age thereafter, and who
10 was married to the member at least one year, may receive sixty
11 dollars per month for life. A spouse may receive this benefit
12 after receiving benefits [under] pursuant to subdivision (2) of
13 this subsection;

14 (2) A surviving spouse who has in his or her care an
15 unmarried dependent child of the deceased member under twenty-two
16 years of age may receive sixty dollars per month plus sixty
17 dollars per month for each child under twenty-two years of age
18 but not more than a total of two hundred forty dollars per month;

19 (3) If no benefits are payable [under] pursuant to
20 subdivision (2) of this subsection, unmarried dependent children
21 under the age of twenty-two may receive sixty dollars each per
22 month; provided that if there are more than three such children
23 one hundred eighty dollars per month shall be divided equally
24 among them;

25 (4) A dependent parent upon attaining sixty-two years of
26 age may receive sixty dollars per month as long as not remarried
27 provided no benefits are payable at any time [under] pursuant to
28 subdivision (1), (2), or (3) of this subsection. If there are

1 two dependent parents entitled to benefits, sixty dollars per
2 month shall be divided equally between them;

3 (5) If the benefits [under] pursuant to this subsection are
4 elected and the total amount paid is less than an amount equal to
5 the accumulated contributions of a member at his death, the
6 difference shall be payable to the beneficiary or the estate of
7 the beneficiary last entitled to benefits.

8 16. [If a retired member dies while receiving a disability
9 retirement allowance, the surviving spouse and children, if any,
10 shall receive benefits under subsection 15 of this section to the
11 same extent as if he had died while an employee, unless such
12 member elected optional benefits under subsection 11 of this
13 section.

14 17. Should a service retirant again become a] If a member
15 receiving a normal pension again becomes an active member, his
16 [retirement allowance] pension benefit payments shall cease
17 during such membership and shall be resumed upon subsequent
18 retirement together with such [retirement allowance] pension
19 benefit as shall accrue by reason of his latest period of
20 membership. Except as otherwise provided in section 105.269,
21 RSMo, a [retirant] retired member may not receive a [retirement
22 allowance payment in] pension benefit for any month for which he
23 receives compensation from an employing board, except he may
24 serve as a part-time or temporary employee for not to exceed
25 sixty days in any [school] calendar year without becoming a
26 member and without having his [retirement allowance] pension
27 benefit discontinued. A [retirant] retired member may also serve
28 as a member of the board of trustees and receive any

1 [compensation and] reimbursement for expenses allowed him because
2 of such service without becoming [a] an active member and without
3 having his [retirement allowance] pension benefit discontinued or
4 reduced.

5 [18.] 17. Upon approval of the board of trustees, any
6 member may make contributions in addition to those required. Any
7 additional contributions shall be accumulated at interest and
8 paid in addition to the benefits provided hereunder. The board
9 of trustees shall make such rules and regulations as it deems
10 appropriate in connection with additional contributions including
11 limitations on amounts of contributions and methods of payment of
12 benefits.

13 [19.] 18. Notwithstanding any other provisions of this
14 section, any member retiring on or after age sixty-five who
15 [shall have] has five or more years of [creditable] credited
16 service shall be entitled to an annual [service retirement
17 allowance] pension of the lesser of (a) an amount equal to his
18 number of years of [creditable] credited service multiplied by
19 one hundred twenty dollars, or (b) one thousand eight hundred
20 dollars. Upon the death of such member, any benefits payable to
21 the beneficiary of such member shall be computed as otherwise
22 provided.

23 [20. Notwithstanding any other provisions of this section,
24 any member who continues his employment with an employing board
25 after attaining seventy and one-half years of age shall receive
26 service retirement benefits during the continuation of his
27 employment if and to the extent the payment of such service
28 retirement benefits is required by the Internal Revenue Code of

1 1986, as amended, and Treasury regulations promulgated
2 thereunder; and such service retirement benefits shall be
3 adjusted annually for additional benefits which shall accrue by
4 reason of such continued employment in accordance with the rules
5 and regulations of the board of trustees. Optional benefits
6 under subsection 11 of this section must be elected by a member
7 prior to the commencement of benefits hereunder.]

8 [169.462. 1. As used in this section, the term
9 "private school" means a school which is not a part of
10 the public school system of this state and which
11 charges tuition for the rendering of elementary and
12 secondary educational services.

13 2. A member having membership service in the
14 retirement system provided by sections 169.410 to
15 169.540, who was, prior to being a member, employed by
16 a private school on a full-time basis and duly
17 certified under the law governing the certification of
18 teachers during all of such employment, may elect to
19 purchase membership credit for service rendered to the
20 private school, but not to exceed three years; provided
21 that he shall be entitled to apply the membership
22 credit thus purchased toward a service retirement. The
23 purchase allowed by this section shall be effected by
24 the member paying to the retirement system with
25 interest an amount based on the annual salary rate of
26 his initial employment in the public school district
27 under the system in which credit is being purchased and
28 the contribution rate in effect in that system at the
29 date of the election to purchase credit. Such payments
30 shall include any payments that would have been made by
31 the employer of the member during the period for which
32 creditable service is being purchased, for each year of
33 creditable service being purchased, plus interest at
34 the rates fixed by the board of trustees. The purchase
35 allowed by this section shall be effected before
36 retirement of the member, and may be paid in
37 installments over a period not to exceed five years.
38 The purchase allowed by this section shall be subject
39 to all rules and regulations of the board of trustees.]
40

41 169.466. 1. Any retired member with fifteen or more years
42 of creditable service at retirement receiving [retirement
43 benefits] a pension on August 28, 1997, shall receive on January

1 first of each year, commencing on January 1, 1998, an increase in
2 the amount of [benefits] pension received by the retired member
3 pursuant to sections 169.410 to 169.540 during the preceding year
4 of one hundred percent of the increase in the consumer price
5 index calculated in the manner provided in this section; except
6 that, no such increase in [retirement] pension benefits shall be
7 paid for any year if such increase in the consumer price index is
8 less than one percent. Such annual [retirement benefit] pension
9 increase, however, shall not exceed three percent and the total
10 increases in the amount of [retirement] pension benefits received
11 by any retired member shall not, in the aggregate, exceed ten
12 percent of the [retirement] pension benefits such retired member
13 received during the year preceding January first of the first
14 year the retired member is entitled to receive an increase
15 pursuant to this section. A retired member qualified to receive
16 an annual [retirement benefit] pension increase pursuant to this
17 section shall not be eligible to receive an additional benefit
18 until the January first after the first anniversary of the date
19 on which he or she commenced receiving [retirement benefits] a
20 pension pursuant to sections 169.410 to 169.540. Benefits shall
21 not be decreased in the case of a decrease in the consumer price
22 index for any year.

23 2. For the purpose of this section, any increase in the
24 consumer price index shall be determined by the board of trustees
25 in November of each year based on the consumer price index for
26 the twelve-month period ended on September thirtieth of such year
27 over the consumer price index for the twelve-month period ended
28 on September thirtieth of the year immediately prior thereto.

1 Any increase so determined shall be applied by the board of
2 trustees in calculating increases in [retirement] pension
3 benefits that become payable pursuant to this section for the
4 twelve-month period beginning on the January first immediately
5 following such determination.

6 3. An annual increase in [retirement] pension benefits, if
7 any, shall be payable monthly with monthly installments of other
8 [retirement] pension benefits pursuant to sections 169.410 to
9 169.540.

10 169.471. 1. The board of education is authorized from time
11 to time, in its discretion, to increase the [retirement] pension
12 benefits now or hereafter provided pursuant to sections 169.410
13 to 169.540 and to adopt and implement additional [retirement]
14 pension benefits and plans, including without limitation, early
15 retirement plans, deferred retirement option plans and
16 cost-of-living adjustments, but excluding compensation to retired
17 members pursuant to section 169.475, and for such purpose the
18 contribution rate of members of the retirement system may be
19 increased to provide part of the cost thereof, subject to the
20 following conditions:

21 (1) Any such increase in [retirement] pension benefits and
22 additional [retirement] pension benefits and plans shall be
23 approved by the board of trustees;

24 (2) The board of trustees shall have presented to the board
25 of education the projected increases in rates of contribution
26 which will be required to be made by members and the board of
27 education to the retirement system to pay the cost of such
28 increases in [retirement] pension benefits and additional

1 [retirement] pension benefits and plans; and

2 (3) Any increase in the contribution rate of members of the
3 retirement system shall be approved by the board of trustees and
4 shall be deducted from the compensation of each member by the
5 employing board and transferred and credited to the individual
6 account of each member from whose compensation the deduction was
7 made, and shall be administered in accordance with sections
8 169.410 to 169.540; provided that, any such increase in the
9 members' contribution rate shall not exceed one-half of one
10 percent of compensation in any year for such increases to
11 [retirement] pension benefits and additional [retirement] pension
12 benefits and plans adopted during such year by the board of
13 education pursuant to this section, and all such increases in the
14 members' contribution rate shall, in the aggregate, not exceed
15 two percent of compensation.

16 169.475. 1. Any retired member now receiving [retirement]
17 pension benefits, who served five years or more as an employee of
18 the school district and who retired after June 30, 1957, and
19 prior to January 1, 1971, shall, upon application to the
20 retirement system, be employed by that retirement system as a
21 special school advisor and supervisor. Any person so employed
22 shall perform such duties as the board of trustees directs, and
23 shall receive a salary of five dollars per month for each year of
24 service not to exceed seventy-five dollars per month, payable by
25 the retirement system as part of its administrative costs, but
26 the payment to the retired person for such services, together
27 with the [retirement] pension benefits the person receives, shall
28 not exceed one hundred fifty dollars per month. The employment

1 provided for by this subsection shall in no way affect any
2 person's eligibility for [retirement] pension benefits or for
3 employment pursuant to other subsections of this section.

4 2. Any retired member now receiving [retirement] pension
5 benefits, who served ten years or more as an employee of the
6 school district and who retired prior to January 1, 1955, shall,
7 upon application to the retirement system be employed by that
8 retirement system as a special school advisor and supervisor.

9 Any person so employed shall perform such duties as the board of
10 trustees directs, and shall receive a salary of two hundred fifty
11 dollars per month payable by the retirement system as part of its
12 administrative costs, but payment to the retired person for such
13 services shall be reduced by the [retirement] pension benefits
14 the person receives. The employment provided for by this
15 subsection shall in no way affect any person's eligibility for
16 [retirement] pension benefits or for employment pursuant to other
17 subsections of this section, subject to the limitation set forth
18 in subsection 3 of this section.

19 3. Any retired member now receiving [retirement] pension
20 benefits who retired prior to January 1, 1976, shall, upon
21 application to the retirement system, be employed by that
22 retirement system as a school consultant. Any person so employed
23 shall perform such duties as the board of trustees directs, and
24 shall receive a salary equal to four dollars per month for each
25 year (or major portion of a year) between the date of the
26 person's retirement and December 31, 1981, plus two dollars per
27 month for each year (or major portion of a year) between January
28 1, 1982, and December 31, 1984, and, in addition, shall be

1 entitled to receive the insurance benefits provided [retirants]
2 retired members pursuant to section 169.476 payable by the
3 retirement system as part of its administrative costs. The
4 employment provided for by this subsection shall in no way affect
5 any person's eligibility for [retirement] pension benefits or for
6 employment pursuant to other subsections of this section,
7 provided that total salaries payable to any retired member
8 pursuant to subsections 2 and 3 of this section shall not exceed
9 two hundred fifty dollars per month.

10 4. Any retired member now receiving [retirement] pension
11 benefits who retired on or after January 1, 1976, and prior to
12 December 31, 1984, shall, upon application to the retirement
13 system, be employed by the retirement system as a school
14 consultant. Any person so employed shall perform such duties as
15 the board of trustees directs and shall receive a salary equal to
16 four dollars per month for each year (or major portion of a year)
17 between the date of the person's retirement and December 31,
18 1984, and, in addition, shall be entitled to receive the
19 insurance benefits provided [retirants] retired members pursuant
20 to section 169.476 payable by the retirement system as part of
21 its administrative costs. The employment provided for by this
22 subsection shall in no way affect any person's eligibility for
23 [retirement] pension benefits or for employment pursuant to other
24 subsections of this section.

25 5. Any retired member now receiving [retirement] pension
26 benefits or who retires prior to December 31, 1986, shall, after
27 application to the retirement system, be employed by the
28 retirement system as a school consultant. Any person so employed

1 shall perform such duties as the board of trustees directs and
2 shall receive a salary equal to two dollars per month for each
3 year (or major portion of a year) between the date of the
4 person's retirement and December 31, 1986, payable by the
5 retirement system as part of its administrative costs. The
6 employment provided for by this subsection shall in no way affect
7 any person's eligibility for [retirement] pension benefits or for
8 employment pursuant to other subsections of this section.

9 6. Any retired member now receiving [retirement] pension
10 benefits or who retires prior to December 31, 1988, shall, after
11 application to the retirement system, be employed by the
12 retirement system as a school consultant. Any person so employed
13 shall perform such duties as the board of trustees directs and
14 shall receive a salary equal to two dollars per month for each
15 year (or major portion of a year) between the date of the
16 person's retirement and December 31, 1988, payable by the
17 retirement system as part of its administrative costs. The
18 employment provided for by this subsection shall in no way affect
19 any person's eligibility for [retirement] pension benefits or for
20 employment pursuant to other subsections of this section.

21 7. Any retired member now receiving [retirement] pension
22 benefits or who retires prior to December 31, 1990, shall, after
23 application to the retirement system, be employed by the
24 retirement system as a school consultant. Any person so employed
25 shall perform such duties as the board of trustees directs and
26 shall receive a salary equal to two dollars per month for each
27 year (or major portion of a year) between the date of the
28 person's retirement and December 31, 1990, not to exceed ten

1 years, payable by the retirement system as part of its
2 administrative costs. The employment provided for by this
3 subsection shall in no way affect any person's eligibility for
4 [retirement] pension benefits or for employment pursuant to other
5 subsections of this section.

6 8. Any retired member now receiving [retirement] pension
7 benefits or who retires prior to December 31, 1993, shall, after
8 application to the retirement system, be employed by the
9 retirement system as a school consultant. Any person so employed
10 shall perform such duties as the board of trustees directs and
11 shall receive a salary equal to three dollars per month for each
12 year (or major portion of a year) between the date of the
13 person's retirement and December 31, 1993, payable by the
14 retirement system as part of its administrative costs. The
15 employment provided by this subsection shall in no way affect any
16 person's eligibility for [retirement] pension benefits or for
17 employment pursuant to other subsections of this section.

18 9. Any retired member now receiving [retirement] pension
19 benefits with fifteen years or more creditable service at
20 retirement, shall, after application to the retirement system, be
21 employed by the retirement system as a consultant. Any person so
22 employed shall, upon the request of the board of trustees, give
23 the board, orally or in writing, a short detailed statement of
24 the problems of retirement under the current monthly benefits.
25 As compensation for the obligation to perform the extra duty
26 imposed by this subsection, each consultant who meets the
27 qualification prescribed in subsection 7 of this section, shall
28 receive, in addition to all other compensation payable pursuant

1 to this section, an increase in compensation each year computed
2 on the total amount which such consultant receives pursuant to
3 this section of one hundred percent of the increase in the
4 consumer price index calculated and payable in the manner
5 specified in section 169.466. A consultant otherwise qualified
6 to receive compensation pursuant to this subsection shall not be
7 eligible to receive such compensation until the January first
8 after he or she has been retired for at least twelve months. Any
9 such annual increase in compensation, however, shall not exceed
10 three percent, and the total increase in compensation pursuant to
11 this subsection shall not exceed ten percent of the total
12 compensation such consultant was receiving pursuant to this
13 section on August 28, 1996. Additional compensation payable
14 pursuant to this subsection shall be payable by the retirement
15 system as part of its administrative costs. The employment
16 provided for in this subsection shall in no way affect any
17 person's eligibility for [retirement] pension benefits or for
18 employment pursuant to other subsections of this section.

19 10. Annually, immediately after the close of the fiscal
20 year of the retirement system, the actuary for the system shall
21 determine if the payments made pursuant to the provisions of this
22 section have impaired the actuarial soundness of the plan, and
23 upon the actuary's certification that the soundness has been so
24 impaired, the system shall bill the school district which last
25 employed the retired person on a full-time basis for
26 reimbursement of the amount paid to that person during the
27 preceding fiscal year. The school district shall forthwith
28 accordingly reimburse the retirement system.

1 11. Effective January 1, 2002, all payments made pursuant
2 to this section shall be paid as cost-of-living benefits rather
3 than as expenses of the retirement system.

4 169.476. The retirement system may contribute toward an
5 insurance plan for the benefit of [retirants] retired members
6 which may provide dental, hospital, surgical, medical, life,
7 accident, and similar insurance benefits as approved by the board
8 of trustees. Such contributions shall be a part of the
9 administrative costs of the retirement system. The board of
10 trustees shall make such rules and regulations as it deems
11 appropriate in connection with such plan.

12 169.480. 1. The board of trustees shall be the trustees of
13 all the funds of the system and shall have full power to invest
14 and reinvest such funds, and such trustees shall have full power
15 to hold, purchase, sell, assign, transfer or dispose of any of
16 the securities and investments in which such funds shall have
17 been invested, as well as of the proceeds of such investments and
18 any moneys belonging to such funds.

19 2. The board of trustees shall annually credit each
20 member's individual account with interest on the largest balance
21 remaining in each account for the entire year and at the rate
22 determined by the board.

23 3. [The board of trustees shall elect a treasurer of the
24 retirement system who shall be a trustee and who may, but need
25 not, be the treasurer of the board of education, who, subject to
26 such limitations as may be provided by the board of trustees,
27 shall be the custodian of the funds of the retirement system and
28 shall give such bond for the faithful handling of the funds as

1 the board of trustees shall determine.] The board of trustees
2 may employ a bank having fiduciary powers for the provision of
3 such custodial or clerical services as the board may deem
4 appropriate [to assist the treasurer]. Disbursement of funds of
5 the retirement system shall be under the general supervision of
6 the [treasurer] board of trustees and shall be in accordance with
7 procedures established or approved by the board of trustees with
8 the concurrence of the system's auditors.

9 4. For the purpose of meeting disbursements for [retirement
10 allowances] pensions and other payments, there may be kept
11 available cash on deposit in one or more banks or trust companies
12 in the school district, organized under the laws of the state of
13 Missouri, or of the United States; provided, that the amount on
14 deposit in any one bank or trust company shall not exceed
15 twenty-five percent of the paid-up capital and surplus of such
16 bank or trust company, and for all deposits the board of trustees
17 shall require of the banks or trust companies as security for the
18 safekeeping and payment of the deposits securities of a like kind
19 and character as may be required by law for the safekeeping and
20 payment of deposits made by the state treasurer.

21 5. Except as herein provided, no trustee, member of the
22 board of education or employee of either the board of trustees or
23 the board of education shall have any direct interest in the
24 gains or profits of any investment made by the board of trustees.
25 Nor shall any of them directly or indirectly for himself or as an
26 agent in any manner use the assets of the retirement system
27 except to make such current and necessary payments as are
28 authorized by the board of trustees, nor shall any of said

1 persons become an endorser or surety or become in any manner an
2 obligor for moneys loaned by or borrowed from the board of
3 trustees.

4 6. No member of the board of education shall be interested
5 in any contract with or claim against the public school
6 retirement system in his school district. If at any time after
7 the election of any member of the board he becomes interested in
8 any contract or claim against said retirement system, either
9 directly or indirectly, or as agent or employee of any
10 individual, firm or corporation, which is so interested, he shall
11 thereupon be disqualified to continue as a member of the board.

12 169.490. All the assets of the retirement system shall be
13 held as one fund.

14 1. (1) The employing board shall cause to be deducted from
15 the compensation of each member at every payroll period [four]
16 five percent of his compensation, and the amounts so deducted
17 shall be transferred to the board of trustees and credited to the
18 individual account of each member from whose compensation the
19 deduction was made. In determining the amount earnable by a
20 member in any payroll period, the board of trustees may consider
21 the rate of earnable compensation payable to such member on the
22 first day of the payroll period as continuing throughout such
23 payroll period; it may omit deduction from compensation for any
24 period less than a full payroll period if the employee was not a
25 member on the first day of the payroll period; and to facilitate
26 the making of the deductions, it may modify the deduction
27 required of any member by such amount as shall not exceed
28 one-tenth of one percent of the compensation upon the basis of

1 which such deduction was made.

2 (2) The deductions provided for herein are declared to be a
3 part of the salary of the member and the making of such
4 deductions shall constitute payments by the member out of his
5 salary or earnings and such deductions shall be made
6 notwithstanding that the minimum compensation provided by law for
7 any member shall be reduced thereby. Every member shall be
8 deemed to consent to the deductions made and provided for herein,
9 and shall receipt for his full salary or compensation, and the
10 making of said deductions and the payment of salary or
11 compensation less said deduction shall be a full and complete
12 discharge and acquittance of all claims and demands whatsoever
13 for services rendered during the period covered by the payment
14 except as to benefits provided by sections 169.410 to 169.540.

15 (3) The employing board may elect to pay member
16 contributions required by this section as an employer pick up of
17 employee contributions under section 414(h)(2) of the Internal
18 Revenue Code of 1986, as amended, and such contributions picked
19 up by the employing board shall be treated as contributions made
20 by members for all purposes of sections 169.410 to 169.540.

21 2. ~~Should~~ If a ~~retirant~~ retired member receiving a
22 ~~retirement benefit~~ pension pursuant to sections 169.410 to
23 169.540 ~~be~~ is restored to active service and again ~~become a~~
24 becomes an active member of the retirement system, there shall be
25 credited to his individual account an amount equal to the excess,
26 if any, of his accumulated contributions at retirement over the
27 total ~~retirement allowances~~ pension benefits paid to him.

28 3. ~~(1)~~ There shall be paid annually to the retirement

1 system by the school district an amount equal to a certain
2 percentage of the total compensation of all members to be known
3 as the "normal cost contribution", and an additional amount equal
4 to a percentage of such compensation to be known as the "accrued
5 liability contribution". The rates percent of such
6 contributions] Annually, the actuary for the retirement system
7 shall calculate each employer's contribution as an amount equal
8 to a certain percentage of the total compensation of all members
9 employed by that employer. The percentage shall be fixed on the
10 basis of the liabilities of the retirement system as shown by the
11 annual actuarial [valuations] valuation. [The retirement system
12 shall make similar contributions for the members who are
13 employees of the system.] The annual actuarial valuation shall
14 be made on the basis of such actuarial assumptions and the
15 actuarial cost method adopted by the board of trustees, provided
16 that the actuarial cost method adopted shall be in accordance
17 with generally accepted actuarial standards and that the unfunded
18 actuarial accrued liability, if any, shall be amortized by level
19 annual payments over a period not to exceed thirty years.

20 [(2) On the basis of such actuarial assumptions as shall be
21 adopted by the board of trustees, the actuary engaged by the
22 board of trustees to make each valuation required during the
23 period over which the accrued liability contribution is payable,
24 at the time of making a valuation, shall determine the uniform
25 and constant percentage of the compensation of all members in
26 service, which, if contributed throughout their remaining period
27 of active service, would be sufficient to provide for the payment
28 of any pension payable on their account. The normal cost

1 contribution rate shall be the rate percent of the compensation
2 of all members obtained by deducting from the total liabilities
3 of the fund the amount of assets in hand to the credit of the
4 fund plus the amount of unfunded accrued liability and dividing
5 the remainder by one percent of the present value of the
6 prospective future compensation of all members in service as
7 computed on the basis of the actuarial assumptions adopted by the
8 board of trustees. The rate percent so determined shall be known
9 as the "normal cost contribution rate".

10 (3) At the first valuation following December 31, 1980, the
11 actuary engaged by the board of trustees shall compute the
12 accrued liability for retirement allowance and other benefits on
13 account of all members and beneficiaries which is not
14 dischargeable by the assets of the retirement system, less the
15 expense and contingency reserve, and by the value of the
16 prospective normal cost contributions payable on account of such
17 members during the remainder of their active service at the
18 normal cost contribution rate then in force, and such accrued
19 liability not so dischargeable shall be known as the "initial
20 unfunded accrued liability". A calculation shall then be made to
21 determine the level annual amount required to liquidate the
22 initial unfunded accrued liability not later than October 13,
23 2011. At each valuation following December 31, 1980, the actuary
24 will determine any increases or decreases in the accrued
25 liability resulting from either changes in actuarial assumptions
26 or changes in the benefits under sections 169.410 to 169.540.
27 Such increases or decreases in the accrued liability will be
28 determined by the actuary under the entry age normal-frozen

1 initial liability cost method. The amount so obtained shall be
2 known as a "supplement" to the unfunded accrued liability. A
3 calculation shall then be made to determine the level annual
4 amount required to liquidate the supplement to the unfunded
5 accrued liability by the end of fifty years from the end of the
6 year in which the supplement is created. The level annual
7 amounts required to liquidate the initial unfunded accrued
8 liability and each supplement to the unfunded accrued liability
9 are added together, and the amount so obtained shall be expressed
10 as a percentage of the total earnable compensation of all members
11 in service. This percentage of such total compensation shall be
12 known as the "accrued liability contribution rate", and shall be
13 payable until the unfunded accrued liability has been liquidated.
14 Provided that the board may authorize a redetermination by the
15 actuary of the unfunded accrued liability contribution rate
16 within the limitation that the unfunded accrued liability will be
17 amortized not later than the end of the fifty years from October
18 13, 1961, or the end of the year in which the supplement to the
19 unfunded accrued liability was credited.

20 (4) The accrued liability contribution shall be
21 discontinued as soon as assets of the retirement system, less the
22 expense and contingency reserve, shall equal the present value as
23 actuarially computed and approved by the board of trustees of the
24 total liabilities of the retirement system, less the present
25 value computed on the basis of the normal cost contribution rate
26 then in force of the prospective normal cost contributions to be
27 received on account of members who are at that time in service.]

28 4. The expense and contingency reserve shall be a reserve

1 for investment contingencies and estimated expenses of
2 administration of the retirement system as determined annually by
3 the board of trustees.

4 5. Gifts, devises, bequests and legacies may be accepted by
5 the board of trustees to be held and invested as a part of the
6 assets of the retirement system and shall not be separately
7 accounted for except where specific direction for the use of a
8 gift is made by a donor.

9 169.500. On or before the first day of ~~[June]~~ January of
10 each year the board of trustees shall certify to the board of
11 education, the board of trustees and the board of regents, and to
12 the state of Missouri with respect to the contribution for
13 members employed by ~~[the board of regents]~~ these employers, the
14 amount which will ~~[become due and payable on or before January~~
15 ~~first of the year next following to the general reserve fund.~~
16 The amount so certified shall be included by the board of
17 education in its annual budget estimate.] be paid to the
18 retirement system on or before December thirty-first of that
19 year. On or before the first day of January of each year the
20 board of trustees shall certify to charter schools and to the
21 state of Missouri with respect to the contribution of members
22 employed by these employers, the amount which will be paid to the
23 retirement system on a monthly basis beginning January first of
24 that year. The amount so certified shall be ~~[appropriated by the~~
25 ~~school district and transferred to the retirement system for the~~
26 ~~ensuing year]~~ included by the employers in their annual budget
27 estimates.

28 169.510. 1. The payment of all ~~[retirement allowances]~~

1 pension benefits, refunds and other benefits or expenses [under]
2 pursuant to the provisions of sections 169.410 to 169.540 and all
3 expenses in connection with the administration and operation of
4 the retirement system are hereby made obligations chargeable
5 against the assets of the retirement system and not of the
6 [school district] employers, and the assets of the retirement
7 system shall not be diverted or used for any purpose other than
8 the payment of such obligations.

9 2. No alteration, amendment or repeal of sections 169.410
10 to 169.540 shall be deemed to affect the rights of members of any
11 retirement system established thereunder with reference to
12 deposits previously made, or to reduce any accrued or potential
13 benefits to those who are members at the time when such
14 alterations, amendments, or repeal becomes effective or to reduce
15 the amount of any [retirement allowance] pension benefit then
16 payable.

17 169.520. Any funds created by sections 169.410 to 169.540
18 while in the charge and custody of the board of trustees of such
19 retirement system shall not be subject to execution, garnishment,
20 attachment or any other process whatsoever and shall be
21 unassignable except as in sections 169.410 to 169.540
22 specifically provided or in the case of a proper order of child
23 support issued through the division of child support enforcement.

24 169.540. The state of Missouri shall contribute no funds
25 directly or indirectly to finance the plan to pay [retirement
26 allowances] pension benefits by appropriation bills or otherwise,
27 except those funds which the district may receive from time to
28 time under a law or laws providing for a general apportionment of

1 school moneys throughout all the state and except employer
2 contributions for members employed by the board of regents which
3 shall be made by the state of Missouri.

4 169.569. 1. In accordance with the recommendations made
5 pursuant to section 169.566, the public school retirement system
6 of Missouri, the public school retirement system of the Kansas
7 City school district, the public school retirement system of the
8 St. Louis city school district and the nonteacher school employee
9 retirement system of Missouri created pursuant to this chapter
10 shall promulgate joint rules, which shall provide for the
11 recognition of service toward retirement eligibility rendered by
12 certified and noncertified personnel under any of the four
13 systems. Such rules shall be limited to creditable service
14 established with each system and shall in no event permit any
15 transfer of creditable service or system assets.

16 2. Rules required pursuant to subsection 1 of this section
17 shall be approved, and may be amended, by a majority of all of
18 the trustees of each board of the four retirement systems. At
19 least thirty days prior to the meeting of any board of one of the
20 four retirement systems to vote on approving or amending such
21 rules, a copy of the proposed rules or amendments shall be filed
22 with the joint committee on public employee retirement.

23 3. Any rule or portion of a rule, as that term is defined
24 in section 536.010, RSMo, that is created under the authority
25 delegated in this section shall become effective only if it
26 complies with and is subject to all of the provisions of chapter
27 536, RSMo, and, if applicable, section 536.028, RSMo. This
28 section and chapter 536, RSMo, are nonseverable and if any of the

1 powers vested with the general assembly pursuant to chapter 536,
2 RSMo, to review, to delay the effective date or to disapprove and
3 annul a rule are subsequently held unconstitutional, then the
4 grant of rulemaking authority and any rule proposed or adopted
5 after August 28, 2001, shall be invalid and void.

6 169.650. 1. On and after October 13, 1965, all employees
7 as defined in section 169.600 of districts included in this
8 retirement system shall be members of the system by virtue of
9 their employment, and all persons who had five years of prior
10 service who were employees of districts included in sections
11 169.600 to 169.710 during the school year next preceding October
12 13, 1965, but who ceased to be employees prior to October 13,
13 1965, because of physical disability, shall be members of this
14 system by virtue of that prior service. Individuals who qualify
15 as independent contractors under the common law and are treated
16 as such by their employer shall not be considered employees for
17 purposes of membership in or contributions to the retirement
18 system.

19 2. Any member who rendered service prior to November 1,
20 1965, as an employee as defined in section 169.600 in a district
21 or junior college district included in the system may claim
22 credit for that service by filing with the board of trustees a
23 complete and detailed record of the service for which the credit
24 is claimed, together with such supporting evidence as the board
25 may require for verification of the record. To the extent that
26 the board finds the record correct, it shall credit the claimant
27 with prior service and shall notify the claimant of its decision.

28 3. Membership shall be terminated by failure of a member to

1 earn any membership service credit as a public school employee
2 under this system for five consecutive school years, by death,
3 withdrawal of contributions, or retirement.

4 4. If a member withdraws or is refunded the member's
5 contributions, the member shall thereby forfeit any creditable
6 service the member may have; provided, however, if such person
7 again becomes a member of the system, the member may elect prior
8 to retirement to reinstate any creditable service forfeited at
9 the time of withdrawal or refund. The reinstatement shall be
10 effected by the member paying to the retirement system, with
11 interest, the amount of accumulated contributions withdrawn by
12 the member or refunded to the member with respect to the service
13 being reinstated. A member may reinstate less than the total
14 service previously forfeited, in accordance with rules
15 promulgated by the board of trustees. The payment may be made
16 over a period not to exceed the length of the service to be
17 reinstated, beginning from the date of election, or prior to
18 retirement, whichever is earlier, and with interest on the unpaid
19 balance; provided, however, that if a member is retired on
20 disability before completing such payments, the balance due, with
21 interest, shall be deducted from the member's disability
22 retirement allowance.

23 5. Any person who is an employee of any statewide nonprofit
24 educational association or organization serving the active
25 membership of the nonteacher school employee retirement system of
26 Missouri and who works at least twenty hours per week on a
27 regular basis in a position which is not covered by the public
28 school retirement system of Missouri may be a member of the

nonteacher school employee retirement system of Missouri.
Certificated employees of such statewide nonprofit educational
association or organization may not be members of the public
school retirement system of Missouri unless such association or
organization makes separate application pursuant to subsection 4
of section 169.130, RSMo. The contributions required to be made
by the employee will be deducted from salary and matched by the
association or organization.

169.670. 1. The retirement allowance of a member whose age at retirement is sixty years or more and whose creditable service is five years or more, or whose sum of age and creditable service equals eighty years or more, or whose creditable service is thirty years or more regardless of age, shall be the sum of the following items:

(1) For each year of membership service, one and [fifty-one] sixty-one hundredths percent of the member's final average salary;

(2) Six-tenths of the amount payable for a year of membership service for each year of prior service;

(3) Eighty-five one-hundredths of one percent of any amount by which the member's average compensation for services rendered prior to July 1, 1973, exceeds the average monthly compensation on which federal Social Security taxes were paid during the period over which such average compensation was computed, for each year of membership service credit for services rendered prior to July 1, 1973, plus six-tenths of the amount payable for a year of membership service for each year of prior service credit;

1 (4) In lieu of the retirement allowance otherwise provided
2 by subdivisions (1) to (3) of this subsection, between July 1,
3 [2000] 2001, and July 1, 2003, a member may elect to receive a
4 retirement allowance of:

5 (a) One and [forty-nine] fifty-nine hundredths percent of
6 the member's final average salary for each year of membership
7 service, if the member's creditable service is twenty-nine years
8 or more but less than thirty years and the member has not
9 attained the age of fifty-five;

10 (b) One and [forty-seven] fifty-seven hundredths percent of
11 the member's final average salary for each year of membership
12 service, if the member's creditable service is twenty-eight years
13 or more but less than twenty-nine years, and the member has not
14 attained the age of fifty-five;

15 (c) One and [forty-five] fifty-five hundredths percent of
16 the member's final average salary for each year of membership
17 service, if the member's creditable service is twenty-seven years
18 or more but less than twenty-eight years and the member has not
19 attained the age of fifty-five;

20 (d) One and [forty-three] fifty-three hundredths percent of
21 the member's final average salary for each year of membership
22 service, if the member's creditable service is twenty-six years
23 or more but less than twenty-seven years and the member has not
24 attained the age of fifty-five;

25 (e) One and [forty-one] fifty-one hundredths percent of the
26 member's final average salary for each year of membership
27 service, if the member's creditable service is twenty-five years
28 or more but less than twenty-six years and the member has not

1 attained the age of fifty-five; and

2 (5) In addition to the retirement allowance provided in
3 subdivisions (1) to (3) of this subsection, a member retiring on
4 or after July 1, [2000] 2001, whose creditable service is thirty
5 years or more or whose sum of age and creditable service is
6 eighty years or more, shall receive a temporary retirement
7 allowance equivalent to [four-tenths] eight-tenths of one percent
8 of the member's final average salary multiplied by the member's
9 years of service until such time as the member reaches the
10 minimum age for Social Security retirement benefits.

11 2. If the board of trustees determines that the cost of
12 living, as measured by generally accepted standards, increases
13 five percent or more in the preceding fiscal year, the board
14 shall increase the retirement allowances which the retired
15 members or beneficiaries are receiving by five percent of the
16 amount being received by the retired member or the beneficiary at
17 the time the annual increase is granted by the board; provided
18 that, the increase provided in this subsection shall not become
19 effective until the fourth January first following a member's
20 retirement or January 1, 1982, whichever occurs later, and the
21 total of the increases granted to a retired member or the
22 beneficiary after December 31, 1981, may not exceed
23 [seventy-five] eighty percent of the retirement allowance
24 established at retirement or as previously adjusted by other
25 provisions of law. If the cost of living increases less than
26 five percent, the board of trustees may determine the percentage
27 of increase to be made in retirement allowances, but at no time
28 can the increase exceed five percent per year. If the cost of

1 living decreases in a fiscal year, there will be no increase in
2 allowances for retired members on the following January first.

3 3. The board of trustees may reduce the amounts which have
4 been granted as increases to a member pursuant to subsection 2 of
5 this section if the cost of living, as determined by the board
6 and as measured by generally accepted standards, is less than the
7 cost of living was at the time of the first increase granted to
8 the member; provided that, the reductions shall not exceed the
9 amount of increases which have been made to the member's
10 allowance after December 31, 1981.

11 4. (1) In lieu of the retirement allowance provided in
12 subsection 1 of this section, called "option 1", a member whose
13 creditable service is twenty-five years or more or who has
14 attained age fifty-five with five or more years of creditable
15 service may elect, in the application for retirement, to receive
16 the actuarial equivalent of the member's retirement allowance in
17 reduced monthly payments for life during retirement with the
18 provision that:

19 Option 2. Upon the member's death, the reduced retirement
20 allowance shall be continued throughout the life of and paid to
21 such person as has an insurable interest in the life of the
22 member as the member shall have nominated in the member's
23 election of the option, and provided further that if the person
24 so nominated dies before the retired member, the retirement
25 allowance will be increased to the amount the retired member
26 would be receiving had the member elected option 1;

27 OR

28 Option 3. Upon the death of the member three-fourths of the

1 reduced retirement allowance shall be continued throughout the
2 life of and paid to such person as has an insurable interest in
3 the life of the member and as the member shall have nominated in
4 an election of the option, and provided further that if the
5 person so nominated dies before the retired member, the
6 retirement allowance will be increased to the amount the retired
7 member would be receiving had the member elected option 1;

8 OR

9 Option 4. Upon the death of the member one-half of the
10 reduced retirement allowance shall be continued throughout the
11 life of, and paid to, such person as has an insurable interest in
12 the life of the member and as the member shall have nominated in
13 an election of the option, and provided further that if the
14 person so nominated dies before the retired member, the
15 retirement allowance shall be increased to the amount the retired
16 member would be receiving had the member elected option 1;

17 OR

18 Option 5. Upon the death of the member prior to the member
19 having received one hundred twenty monthly payments of the
20 member's reduced allowance, the remainder of the one hundred
21 twenty monthly payments of the reduced allowance shall be paid to
22 such beneficiary as the member shall have nominated in the
23 member's election of the option or in a subsequent nomination.
24 If there is no beneficiary so nominated who survives the member
25 for the remainder of the one hundred twenty monthly payments, the
26 reserve for the remainder of such one hundred twenty monthly
27 payments shall be paid to the estate of the last person to
28 receive a monthly allowance;

1 OR

2 Option 6. Upon the death of the member prior to the member
3 having received sixty monthly payments of the member's reduced
4 allowance, the remainder of the sixty monthly payments of the
5 reduced allowance shall be paid to such beneficiary as the member
6 shall have nominated in the member's election of the option or in
7 a subsequent nomination. If there is no beneficiary so nominated
8 who survives the member for the remainder of the sixty monthly
9 payments, the reserve for the remainder of such sixty monthly
10 payments shall be paid to the estate of the last person to
11 receive a monthly allowance;

12 OR

13 Option 7. A plan of variable monthly benefit payments which
14 provides, in conjunction with the member's retirement benefits
15 under the federal Social Security laws, level or near-level
16 retirement benefit payments to the member for life during
17 retirement, and if authorized, to an appropriate beneficiary
18 designated by the member. Such a plan shall be actuarially
19 equivalent to the retirement allowance under option 1 and shall
20 be available for election only if established by the board of
21 trustees under duly adopted rules.

22 (2) The election of an option may be made only in the
23 application for retirement and such application must be filed
24 prior to the date on which the retirement of the member is to be
25 effective. If either the member or the person nominated dies
26 before the effective date of retirement, the option shall not be
27 effective, provided that:

28 (a) If the member or a person retired on disability

1 retirement dies after attaining age fifty-five and acquiring five
2 or more years of creditable service or after acquiring
3 twenty-five or more years of creditable service and before
4 retirement, except retirement with disability benefits, and the
5 person named by the member as the member's primary beneficiary
6 has an insurable interest in the life of the deceased member, the
7 designated beneficiary may elect to receive either survivorship
8 payments under option 2 or a payment of the member's accumulated
9 contributions. If survivorship benefits under option 2 are
10 elected and the member at the time of death would have been
11 eligible to receive an actuarial equivalent of the member's
12 retirement allowance, the designated beneficiary may further
13 elect to defer the option 2 payments until the date the member
14 would have been eligible to receive the retirement allowance
15 provided in subsection 1 of this section.

16 (b) If the member or a person retired on disability
17 retirement dies before attaining age fifty-five but after
18 acquiring five but fewer than twenty-five years of creditable
19 service, and the person named as the primary beneficiary has an
20 insurable interest in the life of the deceased member or
21 disability retiree, the designated beneficiary may elect to
22 receive either a payment of the person's accumulated
23 contributions, or survivorship benefits under option 2 to begin
24 on the date the member would first have been eligible to receive
25 an actuarial equivalent of the person's retirement allowance, or
26 to begin on the date the member would first have been eligible to
27 receive the retirement allowance provided in subsection 1 of this
28 section.

1 5. If the total of the retirement allowances paid to an
2 individual before the person's death is less than the person's
3 accumulated contributions at the time of the person's retirement,
4 the difference shall be paid to the person's beneficiary or to
5 the person's estate; provided, however, that if an optional
6 benefit, as provided in option 2, 3 or 4 in subsection 4, had
7 been elected and the beneficiary dies after receiving the
8 optional benefit, then, if the total retirement allowances paid
9 to the retired individual and the individual's beneficiary are
10 less than the total of the contributions, the difference shall be
11 paid to the estate of the beneficiary unless the retired
12 individual designates a different recipient with the board at or
13 after retirement.

14 6. If a member dies before receiving a retirement
15 allowance, the member's accumulated contributions at the time of
16 the member's death shall be paid to the member's beneficiary or
17 to the member's estate, if there be no beneficiary; provided,
18 however, that no such payment shall be made if the beneficiary
19 elects option 2 in subsection 4 of this section, unless the
20 beneficiary dies before having received benefits pursuant to that
21 subsection equal to the accumulated contributions of the member,
22 in which case the amount of accumulated contributions in excess
23 of the total benefits paid pursuant to that subsection shall be
24 paid to the estate of the beneficiary.

25 7. If a member ceases to be an employee as defined in
26 section 169.600 and certifies to the board of trustees that such
27 cessation is permanent or if the person's membership is otherwise
28 terminated, the person shall be paid the person's accumulated

1 contributions with interest.

2 8. Notwithstanding any provisions of sections 169.600 to
3 169.715 to the contrary, if a member ceases to be an employee as
4 defined in section 169.600 after acquiring five or more years of
5 creditable service, the member may, at the option of the member,
6 leave the member's contributions with the retirement system and
7 claim a retirement allowance any time after the member reaches
8 the minimum age for voluntary retirement. When the member's
9 claim is presented to the board, the member shall be granted an
10 allowance as provided in sections 169.600 to 169.715 on the basis
11 of the member's age and years of service.

12 9. The retirement allowance of a member retired because of
13 disability shall be nine-tenths of the allowance to which the
14 member's creditable service would entitle the member if the
15 member's age were sixty.

16 10. Notwithstanding any provisions of sections 169.600 to
17 169.715 to the contrary, any member who is a member prior to
18 October 13, 1969, may elect to have the member's retirement
19 allowance computed in accordance with sections 169.600 to 169.715
20 as they existed prior to October 13, 1969.

21 11. Any application for retirement shall include a sworn
22 statement by the member certifying that the spouse of the member
23 at the time the application was completed was aware of the
24 application and the plan of retirement elected in the
25 application.

26 12. Notwithstanding any other provision of law, any person
27 retired prior to August 14, 1984, who is receiving a reduced
28 retirement allowance under option 1 or 2 of subsection 4 of this

1 section, as the option existed prior to August 14, 1984, and
2 whose beneficiary nominated to receive continued retirement
3 allowance payments under the elected option dies or has died,
4 shall upon application to the board of trustees have the person's
5 retirement allowance increased to the amount the person would
6 have been receiving had the person not elected the option,
7 actuarially adjusted to recognize any excessive benefits which
8 would have been paid to the person up to the time of the
9 application.

10 13. Benefits paid pursuant to the provisions of the
11 nonteacher school employee retirement system of Missouri shall
12 not exceed the limitations of Section 415 of Title 26 of the
13 United States Code.

14 14. Any member who has retired prior to July 1, 1999, and
15 the designated beneficiary of a deceased retired member upon
16 request shall be made, constituted, appointed and employed by the
17 board as a special consultant on the matters of education,
18 retirement and aging. As compensation for such duties the person
19 shall receive a payment equivalent to seven and four-tenths
20 percent of the previous month's benefit, which shall be added to
21 the member's or beneficiary's monthly annuity and which shall not
22 be subject to the provisions of subsections 2 and 3 of this
23 section for the purposes of the limit on the total amount of
24 increases which may be received.

25 15. Any member who has retired prior to July 1, 2000, and
26 the designated beneficiary of a deceased retired member upon
27 request shall be made, constituted, appointed and employed by the
28 board as a special consultant on the matters of education,

1 retirement and aging. As compensation for such duties the person
2 shall receive a payment equivalent to three and four-tenths
3 percent of the previous month's benefit, which shall be added to
4 the member's or beneficiary's monthly annuity and which shall not
5 be subject to the provisions of subsections 2 and 3 of this
6 section for the purposes of the limit on the total amount of
7 increases which may be received.

8 16. Any member who has retired prior to July 1, 2001, and
9 the designated beneficiary of a deceased retired member upon
10 request shall be made, constituted, appointed and employed by the
11 board as a special consultant on the matters of education,
12 retirement and aging. As compensation for such duties the person
13 shall receive a payment equivalent to seven and one-tenth percent
14 of the previous month's benefit, which shall be added to the
15 member's or beneficiary's monthly annuity and which shall not be
16 subject to the provisions of subsections 2 and 3 of this section
17 for the purposes of the limit on the total amount of increases
18 which may be received.

19 Section B. Because immediate action is necessary to provide
20 equitable treatment and timely application of certain pension
21 benefits and compensation, the repeal and reenactment of sections
22 169.070 and 169.670 is deemed necessary for the immediate
23 preservation of the public health, welfare, peace and safety, and
24 is hereby declared to be an emergency act within the meaning of
25 the constitution, and the repeal and reenactment of sections
26 169.070 and 169.670 shall be in full force and effect on July 1,
27 2001, or upon its passage and approval, whichever later occurs.